



OVERSEAS NEWS

Soviet Union 'may face famine and turmoil'

By Quentin Peat in Moscow

A PANEL of top Soviet economists, chaired by Dr Leonid Abalkin, who has been named a new deputy prime minister, yesterday warned of political turmoil, and even famine, if the Soviet economic crisis was not stabilised within two years.

for Economic Reform, suggests he is looking for all the support he can get in efforts to attack the bureaucracy of party and government. Dr Abalkin warned: "If we don't have the economy stabilised in 1 1/2 to 2 years, then the move of the society to the right will be inevitable. Then something unpredictable will start."

enough hard currency to buy (imported) food." One option he proposed was outright "denationalisation" of land, the alternative being to grant the right to every Soviet citizen to lease land from the giant collective and state farms.

administrative system to a market" one by promoting decentralisation and leasehold property reforms. "But we forgot to make the real money," he said. Efforts to blame the Ministry of Finance for the government's huge budget deficit were unfair, he added. "All the commands went from the top."

for years. Inflation, he said, was probably running at between 10 and 11 per cent, allowing for unofficial price rises outside the official economy. The black economy probably accounted for something nearer Italy's 30 per cent than the 10 per cent of the UK or West Germany.

Gorbachev 'backs arms cuts plan'

By David Marsh in Bonn

MR HELMUT Kohl, the West German Chancellor, yesterday said Mr Mikhail Gorbachev, the Soviet leader, had concurred in the feasibility of the US plan to agree cuts in conventional armaments at the Vienna talks within less than a year.

this week about Nato's disarmament proposals. The Chancellor said Mr Gorbachev showed a "very constructive" reaction to President Bush's suggestions in Brussels at the end of last month on cutting conventional forces at Vienna.

Joyce takes the bloom off poll day

By Kieran Cooke in Dublin

"MR Leopold Bloom ate with relish the inner organs of beasts and fowls. He liked thick giblet soup, tart, gizzards, a stuffed roast heart, liver, slices fried with crusts, mushrooms, fried bread's crust. Most of all he liked grilled mutton kidneys which gave to his palate a fine tang of finely scented urine."

FT WRITERS LOOK AT THE TRENDS EMERGING IN THE EUROPEAN PARLIAMENT ELECTIONS

UK floating vote drifts to the Greens

By Ivor Owen, Parliamentary Correspondent

GROWING disenchantment with Mrs Margaret Thatcher's brand of Conservatism, and the disarray in the conventional centre parties, offers the most likely explanation for the growth in support for Britain's Green Party.

not automatically put a person into the "problem" category. It called for the introduction of a basic income scheme, offering a tax-free, non-means-tested income for all, "as a universal right from birth to death".

Polls give Gonzalez third term

By Tom Burns in Madrid

THE RESULT OF Thursday's Euro-polls in Spain has derailed the centre right opposition's strategy to wrest power from Mr Felipe Gonzalez's Socialist Party when it seeks a third term in national elections next year.

appear to have dropped at least two of the 17 seats they had in the European parliament. The CDS, a party led by former Prime Minister Mr Adolfo Suarez and which sits with the liberal group in Strasbourg, was said by the forecasts to have lost two of its seven seats.

tomorrow night. The most surprising feature of the Spanish poll was the 4 per cent share of the votes cast that was gained, according to the exit polls, by the maverick millionaire Mr Jose Maria Ruiz Mateos.

IG Metall warns of social unrest

By David Goodhart in Bonn

MR FRANZ Steinhilber, leader of IG Metall, the 2.5m-strong West German engineering union, has warned of social unrest if the widely-expected strike early next year in the metal industry is not avoided.

workers laid off because of strike action elsewhere will no longer be able to claim money from the state if they stand to gain from the core dispute. IG Metall has previously stopped work at a few key plants in the motor components industry where it has paid full strike pay, and quickly affected the whole industry at minimal cost to the union.

At the same time, long-term believers in the free play of market forces, who have voiced irritation in the past over the growth of public expenditure in providing hand-outs for "scroungers" capable of earning a living, apparently voted without comment to unilateral nuclear disarmament cheerfully voted for Green candidates advocating precisely the same course.

Another radical proposal unlikely to appeal to the traditional Conservative voter envisaged a land tax designed to distribute land more fairly, stop land speculation, and encourage its ecologically sound use.

Kinnock sees boost for socialist group

By David Suchan in Brussels

MR NEIL KINNOCK, the UK Labour leader, came to the continent yesterday to spread the good tidings of his party's apparent success in the Euro-elections and to bolster fellow German and Belgian socialists who go to the polls tomorrow.

compared to 45 for the UK Tories in the outgoing European Parliament, would henceforth play a more active role in the wider socialist grouping at Strasbourg, Mr Kinnock forecast. He was speaking at Brussels airport, after a morning of campaigning for the SPD socialists in Germany and before setting out for afternoon appointments in French-speaking Belgium.

To place sterling in the parity grid of the European Monetary System (EMS) now would amount to "a gigantic act of defiance", Mr Kinnock admitted. But "other countries want us to join the EMS," he said, claiming that "it should be relatively easy for us to negotiate passage" into the system provided certain conditions were fulfilled.

Ideological campaign prepared

By Steven Butler

THE CHINESE Communist Party yesterday set the stage for a strident ideological campaign - the first in more than a decade - when it issued its most authoritative policy statement yet following the bloody suppression of pro-democracy protests two weeks ago.

China calls businessmen in aid

By Steven Butler in Peking

CHINA IS doing its best to use unwitting foreign businessmen in a high-pitched campaign to convince the world that business is back to normal, following the imposition of martial law and the bloody suppression of protest in Peking two weeks ago.



A People's Liberation Army soldier stands guard in Tiananmen Square, Peking. Troops continue to control the area more than a week after the massacre of protesters there.

An editorial in the People's Daily, the official party newspaper, praised the brilliance of Deng Xiaoping, China's paramount leader, and called for the Chinese people to study a speech delivered to army commanders which has been distributed secretly within the party in the past week.

Chinese officials, in a thinly-disguised effort to manipulate foreign businessmen, have praised the dedication of those who stayed on, and warned they would not accept social unrest as an excuse by foreigners to wriggle out of commitments.

that stability can be re-established. The US is also concerned that an anti-American campaign in the Chinese news media could endanger US citizens. The US officials said US businessmen were concerned they would be used by the Chinese government for propaganda purposes and that this had caused some to delay their return to Peking.

expected the recent turmoil to result in some companies pulling out of China or cancelling planned investments. This is in part because business conditions have deteriorated in recent months under a Peking government retrenchment programme.

social and political turmoil was seen as the last straw that will convince many to leave. It remains to be seen whether business will head the ministers. The Foreign Ministry is known to be sensitive to foreign criticism of Japanese attitudes to international affairs.

Inflation in US rises to 6.7 per cent

By Peter Riddell, US Editor, in Washington

CONSUMER price inflation in the US has accelerated to an annual rate of 6.7 per cent so far this year, up from 4.4 per cent during 1988, mainly because of a sharp rise in oil and food prices.

Bush win marred by amendment

By Peter Riddell

PRESIDENT George Bush's victory in winning overwhelming support for his rescue plan for the troubled savings and loans industry has been partly marred by an amendment which complicates the reduction of the budget deficit.

Poland in debt accord

POLAND has reached an interim accord with its leading bank creditors to postpone principal payments, amounting roughly to \$200m, due between now and the end of 1989, writes Stephen Fidler.

Hong Kong interest rates cut to 11%

The Hong Kong banks are to cut prime lending rates by half a point to 11 per cent from Tuesday, says a spokesman for the movement since January 1988, writes Michael Murray in Hong Kong.

Radical change planned for Swedish tax system

By Robert Taylor in Stockholm

THE full details of Sweden's income tax reform plan, published yesterday by an all-party parliamentary committee, promise to revolutionise the country's taxation system.

More diplomats apply for asylum abroad

By Robin Pauley, Asia Editor

THE number of Chinese diplomats seeking asylum abroad is rising, with Canada, Britain, the US and Australia among those now processing requests.

Fears over Italian credit expansion

The Bank of Italy is concerned at the unusually high rate of credit expansion in the Italian banking system, after statistics showed lending reached 20.5 per cent a year last month against a target of 18 per cent, writes Alan Friedman in Milan.

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OVERSEAS NEWS

Japan to impose partial ivory ban

By Michio Nakamoto in Tokyo

THE JAPANESE government is bowing to international calls to save the African elephant by banning all ivory imports...

The decision by the Ministry of International Trade and Industry follows bolder decisions by other major western countries...

It also comes just ahead of an international conference of member nations of the Convention on International Trade in Endangered Species of Wild Fauna and Flora...

By adopting a partial ban that promises severely to restrict the country's ivory consumption, the Japanese government hopes to dissuade the conference from adopting a total ban...

The rule, which prohibits all imports of processed ivory and of raw ivory from anywhere but African member countries...

Japan, which is a major consumer of ivory, had been under considerable pressure from wildlife conservation organisations and Japanese importers...

Mr Tom Milliken, director of TRAFFIC Japan, the wildlife trade monitoring arm of the World Wide Fund for Nature...

He said violence in the occupied territories could be reduced by force, but weapons could not put down the desire among the population for a Palestinian state.

His remarks underline the pressures that have pushed Mr Yitzhak Shamir, the prime minister and instinctively a

ANC supporters stage defiant rally at Soweto Day commemoration service

By Anthony Robinson in Johannesburg

THE Soweto Day commemoration service in the Johannesburg township's Regina Mundi church turned into a defiant pro-African National Congress rally yesterday...

In April, the NUM opened the year's wage negotiating round with demands for increases which would almost have doubled the minimum take-home pay of the industry's lowest-paid men.

Speakers demanded the release of all jailed and banned leaders and the unbanning of organisations like the ANC and the Pan Africanist Congress...

June 16 1976, when an 18-month revolt was sparked off by a government attempt to impose the Afrikaans language as the medium of tuition in the schools...

Black unions are demanding that it be declared a public holiday to replace the December 16 Day of the Vow holiday...

MR Abdul Wakil, the Afghan Foreign Minister, has accused Pakistan of "carrying out a gradual systematic war against Afghanistan"...

He said Pakistan, host to 3.5m Afghan refugees and base for the resistance, was the main factor behind the Mujahideen refusal to negotiate with President Najibullah's government...

Field commanders will come over and refugees will be sent back to their homes. World opinion is against the continuation of war. We have adjusted our policies to the demands of the people and the Soviet troops have gone home...

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Israeli general rules out 'genocide' of Palestinians

By Hugh Carnegie in Jerusalem

IN A blunt response to right-wing calls for the Israeli army to crush the 18-month-old Palestinian uprising, General Dan Shomron, the chief of staff, has said this could only be achieved by measures amounting to genocide.

"Anyone who wants the intifada eliminated must understand that there are only three ways to do this: by transfer (mass deportation), starvation or physical elimination, that is, genocide," General Shomron said in a speech to the Economic Club in the port city of Ashkelon.

He said violence in the occupied territories could be reduced by force, but weapons could not put down the desire among the population for a Palestinian state.

His remarks underline the pressures that have pushed Mr Yitzhak Shamir, the prime minister and instinctively a

Afghans accuse Pakistan of making war

By Christina Lamb in Kabul

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Jordanians agree joint ventures with Indians

By Lamis Andoni in Amman

A GROUP of Jordanian and Indian industrialists has agreed to set up phosphates projects worth up to \$1.2bn and to establish other joint ventures to boost the two countries' textile and pharmaceutical industries.

The agreements in principle followed a two-day investment meeting, the first of its kind, between Jordanian and Indian businessmen to promote trade co-operation.

Jordan is currently encouraging joint ventures between Jordanian and foreign businesses in an effort to increase Jordan's exports and attract foreign investment.

Any increase in exports would help Jordan's straitened economic circumstances and assist negotiations with the International Monetary Fund.

According to the agreement, Jordan Phosphates Mines and the Indian firms, Modi Enterprises and Reliance Industries, agreed on setting up a \$400m joint venture that would produce phosphoric acid.

The plant will be established at Chidiya in India and is expected to use 2m tonnes of phosphate from Jordan and at least 600,000 tonnes of sulphur from Iraq annually.

Two phosphate fertiliser projects at a cost of \$800m are also being considered, one in Jordan and the other in India. Negotiations have also begun for India to buy 500,000 tonnes of Jordanian cement.

Yesterday Jordanian businessmen said that the initial agreement was extended to involve joint ventures in textile and spinning industries.

Final details on the wide-ranging agreements have not yet been disclosed, but they would allow India to market textiles in Jordan while the latter could produce and export ready-made garments.

On the pharmaceutical side, Indian companies are expected to supply Jordanian companies with ingredients to produce antibiotics.



Women at the desecrated grave yesterday of Hector Pieterse, the 13-year-old boy killed at the start of the Soweto uprising

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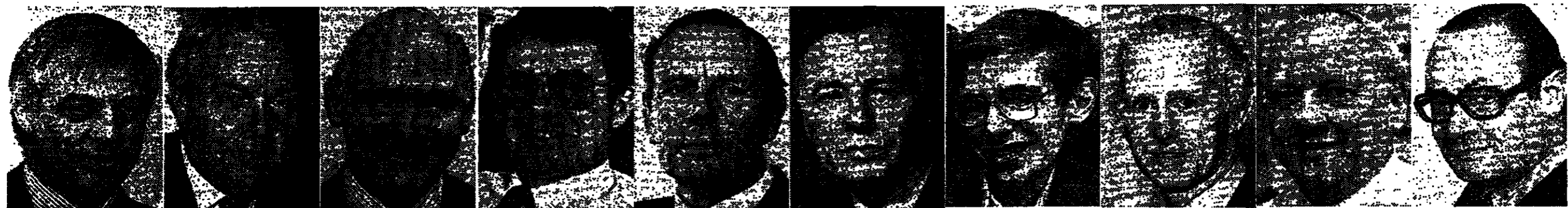
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UK NEWS - QUEEN'S BIRTHDAY HONOURS

Wide spread in this year's Birthday honours



Christopher Patten, Nicholas Scott, Nigel Athlons, Peter Michael, Frederick Corby, Hugh MacLeod, Stephen Hawking, Simon Gourlay, Denys Henderson, Richard Gaskell

- THE QUEEN'S Birthday Honours List is announced today. An edited version follows.
LIFE PEERS: Professor Ian MacColl, director of surgical research...
PRIVY COUNSELLORS: Mr Christopher Franks...
COMPANION OF HONOUR: Professor Stephen William Hawking...
KNIGHTS: Mr Nigel Frederick Athlons...
ROYAL VICTORIAN ORDER: Mr David A. ...
DCVO: Elizabeth, Lady Stannard...









UK COMPANY NEWS

GA makes agreed £112m offer for outstanding 49% of NZI Corpn

By Nick Bunker in London and Andrew Pirie in Wellington
GENERAL ACCIDENT, the Scottish-based composite insurer, is making a full takeover bid for its struggling subsidiary NZI Corporation...

Bank's bad debt write-offs of NZ\$38.5m. Initially triggered by what NZI calls "the downturn of entrepreneurial investment companies" after the 1987 stock market crash...

was being made towards asset sales. NZI was "pretty close" to concluding the sale of its Swiss banking operation and there had been more than 10 potential buyers...

chairman, said his directors would be recommending the offer as shareholders otherwise faced further falls in NZI's share price. NZI shares traded at 51 cents yesterday.

3i and Bank of Scotland in Rodime rescue move

By James Buxton, Scottish Correspondent

RODIME, the computer disk drive maker which is suffering heavy losses and recently replaced its top management, last night unveiled a rescue package worth about \$68m in which Bank of Scotland and 3i are playing major roles.

Pavilion Leisure launches all-share bid for Parkdale

By Phillip Coggan

PAVILION LEISURE yesterday launched an agreed all-share bid for the much larger Parkdale Holdings, the property and leisure group.

Unusually, the directors of Parkdale and its adviser Schroders say they are not in a position to advise shareholders on the prospects of Pavilion and accordingly express no opinion on the offer.

course developments. De Morgan, a group of surveys brought in by Pavilion, estimate the total value of Parkdale's assets at \$27m. However, Parkdale also has substantial debts, which were shown at the time of the purchase of Select to be about \$25m.

Two make approaches to Lambert Howarth

By John Thornhill

LAMBERT HOWARTH, the footwear and luggage company which earlier this month escaped a takeover offer from Peter Black, a rival footwear company, is in talks with two potential bidders.

Resignations at Addison

By Ray Bashford

THE STRUGGLE for control of Addison Consultancy, the design and market research group, yesterday spilled over into boardroom coup and the resignation of the company's financial, legal and stockbroking advisers.

24.9 per cent holding in Addison. The new chairman is Ms Elizabeth Nelson, a director who had opposed the design buy-out.

MAI built up 14 per cent stake in the group, but has never made a formal offer because of the failure to reach agreement on the design company sell-off.

Chrysalis £2.1m in the red after US records loss

By Vanessa Houlder

CHRYSLIS GROUP, the entertainment and leisure company, has fallen into the red with a pre-tax loss of £2.1m for the six months to February 28.

James River bid for Sommerville unconditional

By Ray Bashford

James River Corporation, the US paper company, has received acceptances for 69.1 per cent of the capital in William Sommerville, the Scottish paper group, and the £4.7m bid has been declared unconditional.

Pay boost for Warburg chiefs

By John Thornhill

THE SENIOR directors of SG Warburg, the merchant bank, and Mercury Asset Management, its investment-oriented subsidiary, received substantial pay increases last year.

Gateway denies 'white knight' moves

By Andrew Hill

WITH THE £1.87bn leveraged bid to move into its final week on Monday, rumour of a rival "white knight" offer continued in the market, writes Nikki Tait.

WPP bid extended

By Andrew Hill

WPP, the advertising agency and marketing services company, said last night that it now owned well in excess of 75 per cent of Ogilvy Group.

Hilldown's £70m stationery sale

By Nikki Tait

HILLDOWN HOLDINGS, the food, furniture and property group, yesterday announced a £70m sale of its stationery and printers' supplies businesses up for sale.

Equity & Gen delay

By Andrew Hill

Equity & General, a financial services and motor distribution group, has delayed the publication of its 1988 accounts until June 27.

Texas oil independent for London market

By Edward Sussman

EXTRACTING speculative capital from Texas these days is probably even more difficult than finding oil below the state's thoroughly probed fields.

Sea Containers chief returns to organise fight

By Andrew Hill

Mr James Sherwood, president of Sea Containers, is back in the UK this weekend pondering how to further the ferry and container company's defence against the hostile Anglo-Swedish £224m (£534m) bid.

MBS holders choose to sell core product sales division to buy-out

By John Riddling

A SUN-DRENCHED Berkshire mansion was the incongruous setting for yesterday's meeting of MBS shareholders.

Gateways denies 'white knight' moves

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MARKET STATISTICS

ECONOMIC DIARY

TODAY: EC external trade commissioner Andriessen visits US for talks on trade issues (Airbus subsidies, telecommunications, etc) opening EC office in San Francisco (until June 19). Mr Gerhard Stoltenberg, West German defence minister, in talks with US officials in Washington (until June 19). Mr Bob Hawke, Australian prime minister, on visit to Paris (until June 20).

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, Bid, Ask, Stock. Rows include various stock options like GdC, GdE, GdF, etc.

Table with columns: Jul 89, Aug 89, Sep 89, Oct 89, Nov 89, Dec 89, Jan 90, Feb 90, Mar 90, Apr 90, May 90, Jun 90. Rows include various stock options.

BANK RETURN

Table with columns: LIABILITIES, ASSETS, ISSUE DEPARTMENT. Rows include Capital, Public Deposits, Government Securities, etc.

TOTAL VOLUME IN CONTRACTS: 71,703

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

Table with columns: Bank Name, Rate. Rows include ABN Bank, Aden & Company, AAB - Allied Arab Bank, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

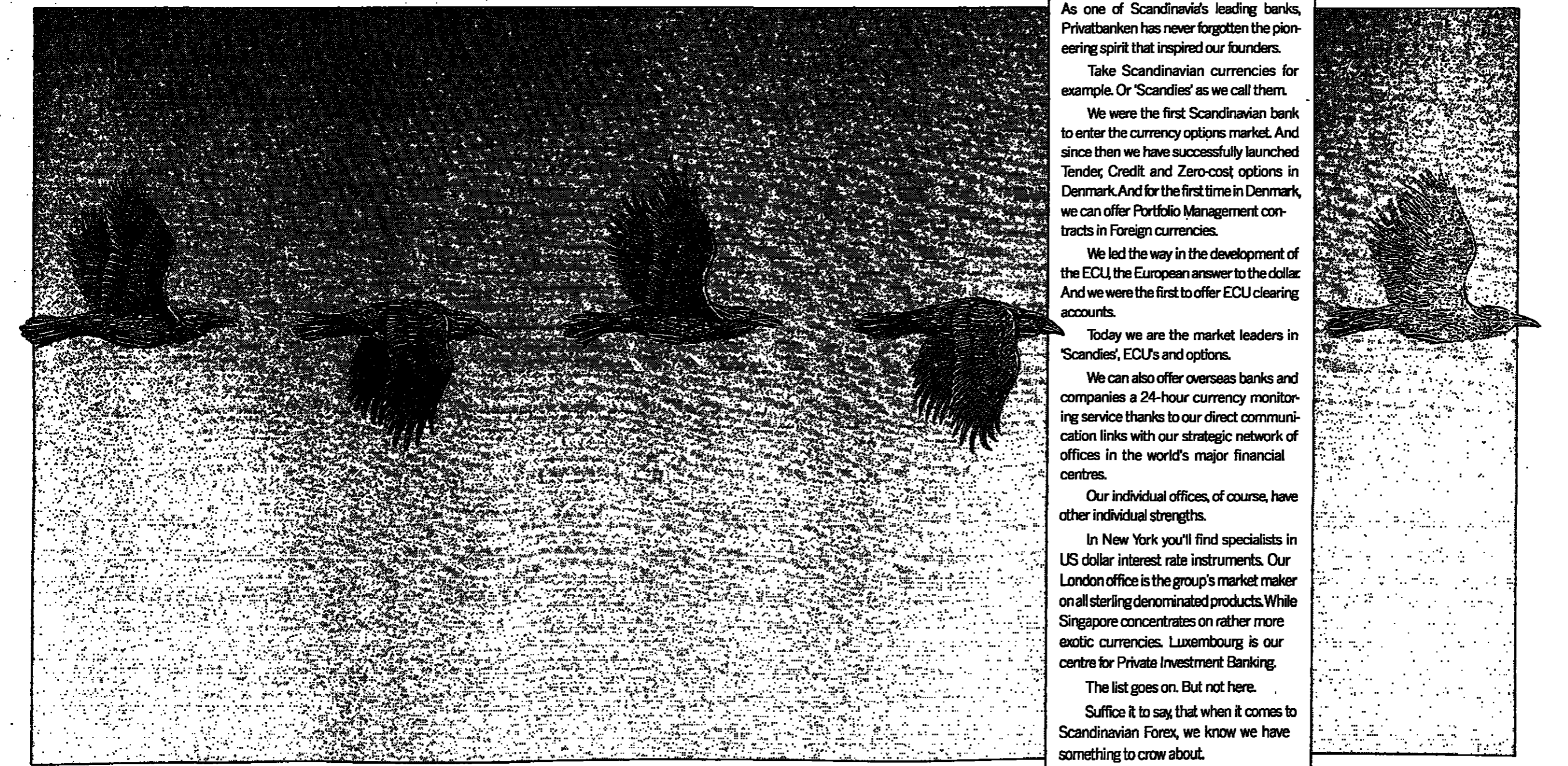
Table with columns: EQUITY GROUPS, Friday June 16 1989, High, Low, Since Completion. Rows include CAPITAL GOODS, BUILDING MATERIALS, CONTRACTING, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, AVERAGE GROSS REDEMPTION YIELDS, Fri Jun 16, Thu Jun 15, Year ago approx. Rows include British Government, 15 years, 5-15 years, etc.

Opening Index 2124.1; 10 am 2131.7; 11 am 2136.1; Noon 2139.0; 1 pm 2142.8; 2 pm 2141.1; 3 pm 2139.5; 3.30 pm 2140.2; 4 pm 2139.0 (a) 5.00pm (b) 9.00am

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INTERNATIONAL COMPANIES AND FINANCE

China abandons purchase of NZ steelmaker

By Andrew Pirie in Wellington
THE CHINESE Government has abandoned the purchase of New Zealand Steel, the country's largest steel mill, just a fortnight before the deal was due for settlement.

Walk-out at Spanish bank after board row

By Tom Burns in Madrid
A BOARDROOM battle that has riddled Banco Central, Spain's second biggest private bank, took a new twist yesterday when the five representatives of the bank's single largest shareholder resigned from the board on the eve of the institution's annual shareholders' meeting.

Stena flagship steams steadily up-market

Andrew Hill on the Swedish shipping group involved in the bid for Sea Containers

Mr Dan Sten Olsson found it very difficult to float his ferries last year. The problem was not one of buoyancy, but of emotion. As chief executive of the family-owned Swedish group Stena, Mr Olsson felt attached to the ferry service, 50 per cent of which was eventually sold through the Stockholm stock market.



Dan Sten Olsson: retains enthusiasm for ferry business

The group has \$200m in cash of which only about \$70m has been used for the bid and the March purchase of an 8.2 per cent stake in Sea Containers. The balance of the Stena deal is being funded by Barclays Bank, Svenska Handelsbanken and PKBanken.

mark and West Germany, has changed. Mr Lars-Erik Ottosson, Stena Line's president and chief executive, says: "We started calling passengers guests, and we call the ferries cruise-vessels, rather than transport-vessels."

HK authorities to close share loophole

By Michael Murray in Hong Kong
THE Hong Kong Stock Exchange and the colony's new Securities and Futures Commission, noted that a mission watchdog body have moved to close a loophole through which local companies with their legal domicile overseas have been able to buy their own shares, a practice outlawed in Hong Kong.

Foreign expansion keeps Japan's city banks ahead

By Our Financial Staff
JAPAN'S BIGGEST "city" or commercial banks, which also rank as the world's largest, continue to profit from their expansion abroad but their global earnings are being eroded, according to annual results released in Tokyo yesterday.

BNZ chairman to resign after five months

By Terry Hall in Wellington
MR FRANK PEARSON is to resign as chairman of Bank of New Zealand after next month's annual meeting, only five months after he was appointed by the Government to head the financially troubled bank.

Australian SE bars buy-back

THE AUSTRALIAN Stock Exchange has refused to waive its rules on share buy-backs to allow the UK-incorporated AFP Group to buy 15 per cent of its stock back from Elders IXL, Reuter reports from Sydney.

Pan Am finds \$200m more equity to bolster NWA bid

By Karen Zagor in New York
PAN AM said yesterday it had increased by \$200m to \$600m the equity portion of its bid, believed to be worth about \$5.2bn, for NWA, parent of Northwest Airlines.

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WORLD COMMODITIES PRICES

Table containing various commodity price listings including: WEEKLY PRICE CHANGES, SPOT MARKETS, LONDON METAL EXCHANGE, POTATOES, SOYABEANS, US MARKETS, COCOA, COPPER, SOYABEANS, WHEAT, LIVE CATTLE, LIVE HOGS, and PORK BELLIES.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak but above lows

THE DOLLAR recovered in London from the lows touched on Thursday in New York but failed to hang on to all of the day's gains, and finished showing sharp losses from Thursday in London. In a day of some volatility, where covering positions took precedence, the dollar lacked any real direction.

The sharp fall late on Thursday in New York took many investors by surprise, but the lows touched in the Far East provided buying opportunities that many found hard to resist. However, with the proximity of the weekend, and uncertainty about how aggressive any central bank intervention might be, most players retreated.

US consumer prices in May rose by 0.8 per cent which was slightly more than expected but not enough to set off renewed fears about higher interest rates to contain inflation. The dollar touched a high of \$1.9240 before slipping back to close at DM1.9925, down from DM2.0340. It was also weaker against the yen at Y145.50 from Y149.60.

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On Bank of England figures, the dollar's exchange rate index fell from 74.1 to 73.8. Sterling finished higher on the day and up from the close on Thursday. Its exchange rate index closed at 90.8, down slightly from 91.0 at the start but up from 90.5 last night.

The pound rose against the dollar to \$1.5340 from \$1.5185 but fell in D-Mark terms to DM3.0675 from DM3.0725. It was also lower against the yen at Y228.35 from Y237.35. Elsewhere, it closed at SF2.6375 from SF2.6525 and FF10.8750 compared with FF10.4275.

The D-Mark was unchanged against the French franc, closing at FF23.9440. But many traders felt that the franc was still vulnerable. Interest rates in Paris remain firm as the market awaits inflation data for May due next Tuesday.

early rise in base rates because recent economic figures were not, on balance, as bad as had been feared. Some investors were willing to close out positions taken on the assumption that rates would be pushed higher. However, the mild encouragement given to the UK's economic outlook has provided some underlying strength for the pound.

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On the one hand, there appears to be less chance of an

LEFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement, Price, Bid, Ask, Last, Pct. Change. Includes data for 10-year and 30-year Treasury bonds.

LEFFE US TREASURY BOND FUTURES

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LEFFE EURO DOLLAR FUTURES

Table with columns: Strike, Call-Settlement, Put-Settlement, Price, Bid, Ask, Last, Pct. Change. Includes data for 3-month and 6-month Eurodollars.

LEFFE 90 DAY STERLING

Table with columns: Strike, Call-Settlement, Put-Settlement, Price, Bid, Ask, Last, Pct. Change. Includes data for 90-day sterling futures.

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Table with columns: Strike, Call-Settlement, Put-Settlement, Price, Bid, Ask, Last, Pct. Change. Includes data for 10-year and 30-year Treasury bonds.

Table titled 'DOLLAR SPOT - FORWARD AGAINST THE DOLLAR' showing exchange rates for various currencies against the dollar.

Table titled 'STERLING INDEX' showing the index value for the sterling against various currencies.

Table titled 'CURRENCY RATES' showing spot and forward rates for various currencies.

Table titled 'CURRENCY MOVEMENTS' showing percentage changes in currency values.

Table titled 'OTHER CURRENCIES' showing rates for currencies like the Australian dollar, Hong Kong dollar, etc.

Table titled 'FORWARD RATES AGAINST STERLING' showing forward exchange rates for various currencies against the pound.

Table titled 'POUND SPOT - FORWARD AGAINST THE POUND' showing exchange rates for various currencies against the pound.

Table titled 'EURO CURRENCY UNIT RATES' showing rates for various European currencies.

Table titled 'EURO CURRENCY INTEREST RATES' showing interest rates for various European currencies.

Table titled 'EXCHANGE CROSS RATES' showing cross-currency exchange rates.

Table titled 'NEW YORK' showing money market rates in New York.

Table titled 'LONDON MONEY RATES' showing money market rates in London.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for various currencies in London.

MONEY RATES

Table showing various money market rates.

LONDON MONEY RATES

Table showing London money market rates.

BRITISH STEEL continued to attract most attention

BRITISH STEEL continued to attract most attention given to individual stocks on the London Traded Options Market yesterday. Finding business of 4,832 contracts, made up of 1,478 calls and 3,354 puts. It was, in general, a quiet day on the market, with total turnover amounting to 33,074 contracts, consisting of 21,680 calls and 11,414 puts.

FT GUIDE TO WORLD CURRENCIES

Every Tuesday in the FT. A guide to world currencies and exchange rates.

LONDON TRADED OPTIONS

The netting out of all deals showed open position in the calls up 726 contracts to 32,476, and in puts up 589 to 35,782. The options business in Steel was notable for opening of interest on both call and put sides, as the price of the share on the put side of the underlying market recovered half the previous day's fall, to end 1p up at 85p.

CALLS

Table showing call option data for various stocks.

PUTS

Table showing put option data for various stocks.

LONDON RECENT ISSUES

EQUITIES

Table listing recent equity issues in London, including company names, issue sizes, and prices.

FIXED INTEREST STOCKS

Table listing fixed interest stocks, including government bonds and corporate debentures.

RIGHTS OFFERS

Table listing rights offers for various companies.

DIVIDENDS ANNOUNCED

Table listing announced dividends for various companies.

TRADITIONAL OPTIONS

Table listing traditional options for various companies.

GRANVILLE SPONSORED SECURITIES

Table listing securities sponsored by Granville & Co. Ltd.

THE LEADS

Table listing 'The Leads' floating rate notes.

INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD

Information about Index Ltd, including contact details and services provided.

MONEY MARKETS

UK rates lower

UK INTEREST rates were marked down yesterday as UK data on inflation failed to trigger a rise in base rates. Three-month interbank money opened lower at 14 1/4-14 3/4 per cent and eased further to finish at 14 1/4-14 1/2.

UK clearing bank base lending rate

Table showing UK clearing bank base lending rates.

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WORLD STOCK MARKETS

NEW YORK 3pm

Table of stock prices for various companies in New York, including AAR, ABB, ABC, etc.

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INDICES

Table of stock indices including Dow Jones, S & P 500, etc.

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NEW YORK ACTIVE STOCKS

Table of active stock prices in New York.

CANADA

Table of active stock prices in Canada.

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Notes and disclaimers regarding the data provided in the tables.



LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Telexnet system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. Rule 53(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. Bargains at special prices. Bargains done the previous day.

Corporation and County

Stocks No. of bargains included 4 Greater London Council 65% Stk 90/92 - 100 (14/89) Abertillery (207) 10.20% Red Stk 2011 - 133 (14/89) Birmingham District Council 11% Red Stk 2012 - 101 (14/89) Reading Corp 3% Stk 192/200 (after) - 225 (14/89)

UK Public Bonds

Agricultural Mortgage Corp PLC 5% Deb Stk 90/95 - 131 (14/89) 6% Deb Stk 90/95 - 131 (14/89) 6% Deb Stk 90/95 - 131 (14/89) 6% Deb Stk 90/95 - 131 (14/89)

Foreign Stocks, Bonds, etc (coupons payable in London)

Abey National Building Society 11% Stk 1995 (BCE) 100.0000 (100000) - 137 (14/89) ABC British Ld 11% Stk 1992 - 132 (14/89) ASDA Group PLC 9% Stk 2002 - 135 (14/89)

McCarthy & Stone PLC 2.75% Cum Red Stk 2003 E1 - 85 (14/89) 7% Cum Red Stk 98/04 - 85 (14/89) 7% Cum Red Stk 98/04 - 85 (14/89)

Wentworth Canon PLC 7.5% (Net) Cum Red Stk 1985 - 87 (14/89) 7% Cum Red Stk 1985 - 87 (14/89) 7% Cum Red Stk 1985 - 87 (14/89)

British Petroleum PLC 10% Cum Red Stk 1985 - 87 (14/89) 10% Cum Red Stk 1985 - 87 (14/89) 10% Cum Red Stk 1985 - 87 (14/89)

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M.A.G. International Income Fund Units - 70 (14/89) Accum Units - 84 (14/89) Mines - Miscellaneous No. of bargains included 182

Financial Trusts, Land, etc No. of bargains included 371 A&W International PLC 7% (Net) Cum Red Stk 1981 - 97 (14/89)

British Petroleum PLC 10% Cum Red Stk 1985 - 87 (14/89) 10% Cum Red Stk 1985 - 87 (14/89) 10% Cum Red Stk 1985 - 87 (14/89)

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Dovey River Hgts PLC 4% Rate Cum Red Stk 1985 - 87 (14/89) 4% Rate Cum Red Stk 1985 - 87 (14/89) 4% Rate Cum Red Stk 1985 - 87 (14/89)

The Third Market Appendix No. of bargains included 210 B&W International PLC 7% Cum Red Stk 1981 - 97 (14/89)

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Registered Housing Associations No. of bargains included 10 Housing Finance Corporation Ltd 7% Deb Stk 2011 - 133 (14/89)

Commercial, Industrial, etc No. of bargains included 1340 A&W Hgts PLC 4.25% Cum Red Stk 1981 - 85 (14/89)

Starting Issues by Overseas Borrowers No. of bargains included 82 Asian Development Bank 10% Ln Stk 2003/99 - 136

Bank of Greece 10% Ln Stk 2010/99 - 137 (14/89) Credit Foncier de Belgique 10% Ln Stk 2010/99 - 137 (14/89)

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LONDON STOCK EXCHANGE

Equity Account ends in good form

THE SHIFT in direction in the currency markets and a slightly better UK Retail Price Index figure than feared in some quarters inspired a fragile rally in UK equities yesterday. Although traders reported good quality support for selected stocks, they also agreed that the underlying concern over sterling and the implications for domestic interest rates remain.

sterling's firmness, prompted initially by the dollar's overnight setback, was balanced by the falls in both New York and Tokyo equity markets, as well as by a strong showing by the UK Opposition in holding two Labour seats in Thursday's by-elections.

The US Consumer Price Index, plus 0.6 per cent in May, was also regarded as good news on inflation, and London equities extended their gains to show a 13 point advance in the Footsie index at mid-session.

The new equity trading Account, taking the market to its best level of the session. The FT-SE Index closed at 2,143.9, a net 14.3 up on the day. The trading Account has seen the Footsie gain 41.3 points despite renewed weakness in sterling and a global background featured by the explosion in China.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Jun 15, Jun 16, Jun 17, Jun 18, Jun 19, Jun 20, Jun 21, Jun 22, Jun 23, Jun 24, Jun 25, Jun 26, Jun 27, Jun 28, Jun 29, Jun 30, 1989 High, 1989 Low, Since Completion High, Since Completion Low. Rows include Government Secs, Fixed Interest, Ordinary, Old Mines, Ord. Div. Yield, P/E Ratio, etc.

S.E. ACTIVITY

Table with columns: Index Name, Jun 15, Jun 16, Jun 17, Jun 18, Jun 19, Jun 20, Jun 21, Jun 22, Jun 23, Jun 24, Jun 25, Jun 26, Jun 27, Jun 28, Jun 29, Jun 30, 1989 High, 1989 Low, Since Completion High, Since Completion Low. Rows include Gilt Edged, Equity, 5-Day average, etc.

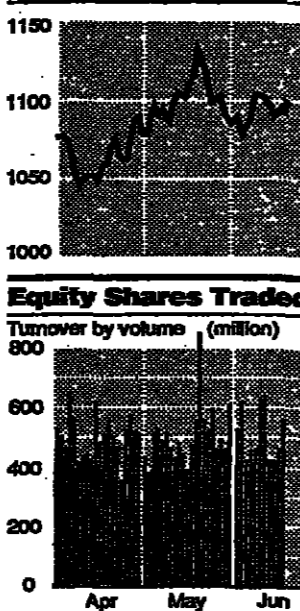
Two-way pull at Ultramar

Ultramar, the independent oil group, rose and fell in response first to a substantial profit upgrading by one of the UK's top securities houses, and then to news that another oil group, Premier Consolidated, had sold its 2 per cent holding in Ultramar into the market.

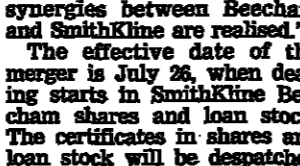
Gen Acc lower

General Accident (Gen Acc) was prominent among casualties in the insurance sector, after it announced a £112m offer for the outstanding 49 per cent holding in NZI, the trust-owned New Zealand group, in which Gen Acc already holds the majority stake.

FT-A All-Share Index



Equity Shares Traded



Beecham active

Beecham climbed 10 to 628p in moderate turnover of 11m. The company is in the final stages of organising its final stages of organising its merger with SmithKline Beecham of the US and is holding an egn on Tuesday.

are well undervalued

are well undervalued if the synergies between Beecham and SmithKline are realised. The effective date of the merger is July 26, when dealing starts in SmithKline Beecham shares and loan stock. The certificates in shares and loan stock will be despatched by August 5.

Fisons product knocked the latter's shares back. They booted 22p before closing at 249p, 3 off on the day. No one has pentamidine in their profit figures, said an analyst, but this fits sentiment especially since Fisons management had said at various stages that it wanted to sell.

Enterprise Oil jumped 10 to 546p in painfully thin volume of little more than 100,000 shares. The company is in the pre-emption row involving British Gas and Amerasia Hess. LARMO were 6 higher at 465p after a buy note from Kibcat & Aitken and a "switch out" of Ultramar and into LARMO.

Expectations of a bitter battle between the big brewers and Lord Young over the Monopolies Commission's recommendations for restructuring in the industry left brewing stocks in an uneasy mood. The exception was Bass, up 5 at 986p in a bear squeeze and still regarded as likely to come out a winner whichever way the decision goes.

shares raced ahead for the second successive day, closing a further 25 up to 763p with the powerful buying earlier in the week by Nomura said to have been complemented by strong European demand. This was triggered by talk that a bid could be forthcoming from Gernot Berthmann, the publishing group, was seen as a possible bidder.

Suggestions that British Aerospace was keeping the best news from the Paris Airshow until the end of next week boosted the shares. They climbed 11 to 681p, after 884p, as 2.4m changed hands. Dealers speculated that there might be a large Airbus order (Aerospace make the wings) and such thoughts also helped Rolls Royce (which supplies the engines) put on a penny at 190p.

Vague talk of a bid for Laird Group surfaced early in the day and the stock climbed 9 to 265p. By the close one dealer was mentioning BTZ as a possible bidder, seeking the car seats business.

NEW HIGHS AND LOWS FOR 1989

Table with columns: NEW HIGHS, NEW LOWS, and RISES AND FALLS. Rows include British Funds, Corp. Dom. & Foreign Bonds, Industrials, Financial and Prope, etc.

LEADERS AND LAGGARDS

Table with columns: Group Name, Percentage change since December 30 1988 based on Thursday June 15. Rows include Transport, Agencies, Food Retailing, etc.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week Ago, Month Ago. Rows include UK GILTS, US TREASURY, JAPAN, etc.

WEEK IN THE MARKETS

Coffee plunges after talks failure

THE COLLAPSE, in the early hours of Tuesday morning, of talks aimed at securing the International Coffee Agreement, was hardly a bolt from the blue, but it still triggered a sudden plunge in prices.

Colombia, the two biggest producers, who wanted more time to sort out market allocations. The collapse seemed as the London futures market took it as its cue for a £125 drop on the day which took the September position down to £1,065 a tonne. By last night's close the price had edged up to £1,090 a tonne, but that was still 56p down on the week.

rise in the 1988-89 production surplus estimate by Gill & Duffins, the London trade house. Largely as a result of a near-100,000 tonnes increase in the crop projection for the Ivory Coast - the biggest producer - G & D now puts the surplus of supply over demand at 309,000 tonnes, an increase of 55 per cent from the 199,000 tonnes it was forecasting in its March report.

expected for this week - the Belgian news helped to lift LME cash copper by 55p on the week. That was after a £37 rise yesterday which was encouraged by worries over a possible strike at Noranda Mines' CCR division in Montreal. Workers were rumoured already to have given their union representatives a strike mandate, should current negotiations on a new labour contract not reach a satisfactory conclusion.

Electricity supply post

Ms Penny Boys has been appointed deputy director general designate of electricity supply for England and Wales. She was director of personnel at the Department of Energy. She will assist the director general designate of electricity supply, Professor Stephen Littlechild, in setting up the Office of Electricity Regulation (OFFER), the body responsible for regulating and monitoring the electricity supply industry once it is privatised.



Ms Penny Boys has been appointed deputy director general designate of electricity supply for England and Wales.

APPOINTMENTS

NEWS INTERNATIONAL has appointed Mr Liam Kane as general manager of SKY Television. He was general manager of Today newspaper, where he is succeeded by Mr John East who was deputy circulation manager.



Mr Liam Kane has been appointed general manager of SKY Television.

Richard Mooney

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-525-2128

AUTHORISED UNIT TRUSTS

Unit Trust Name, Investment Objective, and other key details.

Table of authorized unit trusts including Abbey Unit Trusts, ABB Unit Trusts, and various equity and bond funds.

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GUIDE TO UNIT TRUST PRICING: Includes sections for UNIT TRUST PRICING, GENERAL PRINCIPLES, and FORWARD PRICING.



FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

Main table containing unit trust information, organized into columns for various categories like 'Premiere Life Assurance Co Ltd', 'Prudential Assurance Co Ltd', 'Scottish Equitable Life Assurance Co Ltd', etc. Each entry includes fund names, prices, and performance metrics.

JERSEY (SIB RECOGNISED) table listing various unit trusts such as 'Allied Overseas International Fund', 'Allied Overseas International Fund', 'Allied Overseas International Fund', etc.

LUXEMBOURG (SIB RECOGNISED) table listing unit trusts like 'Allied Overseas International Fund', 'Allied Overseas International Fund', etc.

GUERNSEY (SIB RECOGNISED) table listing unit trusts such as 'Allied Overseas International Fund', 'Allied Overseas International Fund', etc.

LUXEMBOURG (SIB RECOGNISED) table listing unit trusts like 'Allied Overseas International Fund', 'Allied Overseas International Fund', etc.

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LUXEMBOURG (SIB RECOGNISED) table listing unit trusts like 'Allied Overseas International Fund', 'Allied Overseas International Fund', etc.

MANAGEMENT SERVICES

David M. Adams Personal Fin. Planners Ltd, The Analysts Group PLC, Blackmore Finance PLC, etc.

OFFSHORE AND OVERSEAS

Guernsey-based financial services including 'Guernsey-based financial services', 'Guernsey-based financial services', etc.

LUXEMBOURG (SIB RECOGNISED)

Financial services in Luxembourg, including 'Luxembourg-based financial services', 'Luxembourg-based financial services', etc.

JERSEY (SIB RECOGNISED)

Financial services in Jersey, including 'Jersey-based financial services', 'Jersey-based financial services', etc.

LUXEMBOURG (SIB RECOGNISED)

Financial services in Luxembourg, including 'Luxembourg-based financial services', 'Luxembourg-based financial services', etc.

JERSEY (SIB RECOGNISED)

Financial services in Jersey, including 'Jersey-based financial services', 'Jersey-based financial services', etc.

LUXEMBOURG (SIB RECOGNISED)

Financial services in Luxembourg, including 'Luxembourg-based financial services', 'Luxembourg-based financial services', etc.

JERSEY (SIB RECOGNISED)

Financial services in Jersey, including 'Jersey-based financial services', 'Jersey-based financial services', etc.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts such as British Funds, Commonwealth & African Loans, and American Funds, with columns for name, price, and yield.

LONDON SHARE SERVICE

Table of London Share Service, listing various share funds and commonwealth & African loans, with columns for name, price, and yield.

Money Market Bank Accounts

Table of Money Market Bank Accounts, listing various bank accounts and their interest rates.

Money Market Trust Funds

Table of Money Market Trust Funds, listing various trust funds and their details.

UNIT TRUST NOTES: A section providing detailed information and disclaimers regarding unit trusts.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

AMERICANS - Contd

Table listing American companies such as 3M, Amgen, and Boeing with their share prices and market data.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector.

ENGINEERING

Table listing engineering companies.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies.

CANADIANS

Table listing Canadian companies such as Alcan and Inco.

ELECTRICALS

Table listing electrical companies.

FOOD, GROCERIES, ETC

Table listing food, groceries, and other companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

INSURANCES

Table listing insurance companies.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies.

DRAPERY AND STORES

Table listing drapery and stores companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

INSURANCES

Table listing insurance companies.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies.

DRAPERY AND STORES

Table listing drapery and stores companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

INSURANCES

Table listing insurance companies.

LONDON SHARE SERVICE

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INSURANCES - Contd

Table listing insurance companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

LEISURE

Table listing leisure-related companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

PAPER, PRINTING, ADVERTISING - Contd

Continuation of paper, printing, and advertising companies and their share prices.

PROPERTY

Table listing property-related companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

SHIPPING

Table listing shipping companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

SHOES AND LEATHER

Table listing shoes and leather companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

SOUTH AFRICANS

Table listing South African companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

TEXTILES

Table listing textile companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

TOBACCO

Table listing tobacco companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies and their share prices.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies and their share prices.

TRUSTS, FINANCE, LAND - Contd

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TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies and their share prices.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies and their share prices.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies and their share prices.

OIL AND GAS - Contd

Continuation of oil and gas companies and their share prices.

OVERSEAS TRADERS

Table listing overseas traders and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

PLANTATIONS

Table listing plantation companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

MINES

Table listing mining companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

MINES - Contd

Continuation of mining companies and their share prices.

MINES - Contd

Continuation of mining companies and their share prices.

MINES - Contd

Continuation of mining companies and their share prices.

MINES - Contd

Continuation of mining companies and their share prices.

MINES - Contd

Continuation of mining companies and their share prices.

MISCELLANEOUS

Table listing miscellaneous companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

THIRD MARKET

Table listing third market companies and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: A Alpha Beta, Gamma, Delta, Epsilon, Zeta, Eta, Theta, Iota, Kappa, Lambda, Mu, Nu, Xi, Omicron, Pi, Rho, Sigma, Tau, Upsilon, Phi, Chi, Psi, Omega.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.

TRADITIONAL OPTIONS

Table listing traditional options and their share prices, including details like '1989 High', '1989 Low', 'Stock', 'Price', 'Div', 'Yield', and 'P/E'.



# FINANCIAL TIMES

Weekend June 17/June 18 1989



## Inflation rate quickens to 8.3%

By Peter Norman, Economics Correspondent

**INFLATION** in Britain quickened again last month to an annual 8.3 per cent rate, its highest since July 1982.

However, financial markets reacted calmly to the increase from 8 per cent in April, after earlier Government warnings to expect a rise.

The Department of Employment said increased housing, food and petrol costs were the main factors pushing the retail price index up by 0.6 per cent between April and May after the previous month's 1.8 per cent jump.

Britain now has significantly higher inflation than its industrial trading partners. In the European Community, where the average inflation rate is 5.1 per cent, only Greece and Portugal have higher annual inflation rates.

Government officials warned of further price rises. Pork, dairy products and tea have increased in price recently and higher electricity and gas prices are in the pipeline.

Financial markets were braced for a May inflation rate of up to 8.5 per cent, so yesterday's news helped to steady the pound, push money market interest rates lower and equities higher.

The FTSE 100 index closed at 2,133.5, its highest level of the day, up 14.3. The Treasury repeated that monetary policy would remain as tight as necessary and for as long as necessary to bring inflation down.

City analysts believe the first real chance of a decline in the annual rate will be in August, when the first of last year's large mortgage rate increases drops out of the index.

Yesterday's official figures showed that the underlying annual inflation rate, which excludes mortgage payments, edged upwards to 6 per cent in May from 5.9 per cent in April.

The tax and price index, which measures the increase in gross taxable income needed to compensate tax payers for any increase in retail prices, rose by 8.4 per cent over the twelve months to May compared with 8.3 per cent the month before.

The retail price index rose to 115 (base January 1987=100) in May from 114.3 in April, while the tax and price index advanced to 110.5 (base January 1987=100) from 109.8 in April.

PSBR exceeds forecasts; Manufacturing output stagnates, Page 4

## Time bids \$14bn for Warner

By Roderick Oram in New York

**TIME INC** bid \$14bn (\$9,126bn) for Warner Communications yesterday, thrilling Wall Street with the prospect of a long, litigious and potentially hugely profitable summer for shareholders in the media companies.

The \$70 a share offer for Warner was Time's attempt to preserve the merger pact they forged in early March which would create a global media operation with revenues of \$10bn a year from magazines, films, television, records and books.

Their agreed share swap was thwarted 10 days ago when Paramount Communications, a rival in films and books, made a \$10.7bn offer for Time.

Takeover speculators hastily placed their bets yesterday on every permutation in the three-cornered fight which could yet attract other bidders.

No analyst or arbitrator could predict the outcome, but

one arbitrator, his voice crackling with excitement, suggested that Time and Warner could each end up being sold separately to other parties for a total approaching \$30bn.

Time's bid for Warner was given little hope for success at its current price. The next step in the battle, many analysts believe, is that Paramount will sue Time for rejecting its bid out of hand, raising its offer for Time from \$17.5 a share.

Share prices reflected the widespread feeling that some other bid, or combination of bids, special dividends or other actions, will be the ultimate outcome. By early afternoon Time had fallen only \$5 to \$166.7, Warner rose only \$3 to \$59 and Paramount slipped a mere \$4 to \$59.4.

Rhetoric and litigation also swung into play with Time dismissing Paramount's bid for it as purely a defensive device to

block the Time-Warner merger. Time applied for an injunction to prevent Paramount buying its shares.

The fight engages two of the most hard-dealing and colourful chief executives in the media business - Mr Martin Davis, of Paramount (until recently named Gulf + Western), and Mr Steven Ross, of Warner. Together they make Mr Richard Murdoch, of Time, seem as straitlaced as the magazine that made the company.

Another aggrieved group could be Time's shareholders, some of whom are likely to sue to block their company's offer for Warner. If the hugely leveraged deal is concluded, Time's stock could plunge to about \$110 to \$120 a share, some analysts predicted, representing a substantial loss compared with the Paramount bid.

Moreover, the original Time-Warner stock swap was subject to shareholder approval, but

the cash bid is not. "We believe this attempt to end-run a shareholder vote violates both state law and the rules of the New York Stock Exchange," Paramount said.

In an attempt to shut out other bidders, Time and Warner exchanged blocks of shares yesterday. Time now holds 8.69 per cent of Warner's voting shares and Warner 11.04 per cent of Time.

Time is bidding initially \$70 a share cash for only 100m of Warner's 198m fully diluted shares. It would then buy the rest with a yet to be determined combination of cash, equity and debt worth \$70 a share.

Time said Manufacturers Hanover and Bankers Trust were already committed to lend it \$1.5bn and the two banks have told it they are confident they can raise a further \$1.4bn to finance the takeover.

## Hungarians mourn dead heroes

By Leslie Collett in Budapest

**MORE THAN 30** years of pent-up emotion poured out of Hungarians yesterday as they publicly mourned the executed leaders of the 1956 uprising for independence and democracy.

Nearly 250,000 Hungarians packed Heroes Square as six caskets containing the fallen leaders of the Communist world's first major pro-democracy rebellion were laid in state on the steps of the Museum of Contemporary Arts, separated by torches.

The remains of Imre Nagy, prime minister when the Russians invaded in 1956, was in one casket. He was executed in June 1956. Four other caskets contained his aides. A fifth empty casket symbolised 245 other leaders of the uprising executed at Moscow's best.

Imre Nagy, whose show trial and sentence were recently declared illegal by the party, is

expected to be rehabilitated soon in yet another example of the leftist history being rewritten. His daughter, who lives in Hungary, attended the ceremony yesterday.

The quarter of a million citizens who packed Budapest's Heroes Square realised that the same goals for which Nagy and the other martyrs of the 1956 uprising had fought might now be in their grasp. However, they worried that once again Hungarians would be deprived of their national aspirations by their leaders.

A teacher I had not seen in three years joined me in the crowd streaming into the vast square. "It's incredible, but I am afraid," she said. "They still have the power."

"They" is the Communist Party which many Hungarians fear will again somehow deprive them of the sover-

eignty and democratic rights they fought for in 1956.

From elsewhere in eastern Europe only the Poles were also mourning, which hung - minus the customary red flags - from the central committee building, government ministries and Budapest's police headquarters could not convince them that the danger of a backlash from party conservatives had vanished.

Inside Budapest's V District police station in Szalay Street, policemen eagerly followed Radio Budapest's broadcast of the ceremony honouring the executed victims of the 1956 uprising. The only reminder that the party had recently altered its view that the uprising was a counter-revolution and its leaders were traitors was a simple inscription "1956", with the names of four policemen killed by citizens, on a wall in the entrance.

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As church bells tolled throughout Hungary at 12.30pm, citizens stopped to mark a minute of silence. The national anthem was sung and a recording of Imre Nagy's voice crackled over the loudspeakers on Heroes Square. Few of those present remained dry-eyed.

## C&W chairman is made a life peer

By Rachel Johnson

**SIR ERIC SHARP**, chairman and chief executive of Cable and Wireless, the telecommunications company, is one of three life peers created in the Queen's Birthday Honours list today.

Sir Eric, 72, has presided over a period of rapid growth and a radical change of direction at C&W, involving heavy investments in Asia. In the UK, he has led the development of Mercury as the profitable com-

petitor to British Telecom in the newly-liberalised telecommunications industry.

The other two life peers in the list, which contains the traditional mix of honours for leading figures in a variety of professions, are from the medical field.

Professor Ian McColl, director of the surgical unit at Guy's Hospital, pioneered the introduction of a system at hospitals giving doctors management responsibilities.

Sir John Walton, member and former president of the General Medical Council, the other life peer, is Warden of Green College, Oxford.

Among the 950 awards, Mr Stephen Hawking, one of Britain's leading theoretical physicists and an expert on "black holes", has been made a Companion of Honour.

In the fields of finance and

industry there are knightships for Mr Nigel Altham, the Government Broker, Mr Brian Corby, chief executive of the Prudential Corporation, Mr Denis Henderson, chairman of KLM, Mr Robert Davidson, managing director of CIBC, and Mr Jack Zurek, ex-joint chairman of the Ove Arup partnership.

Mr Horace Francis, ex-president of the Institution of Civil Engineers, Mr Richard Gaskell, president of the Law Society, Mr Simon Gourlay, president of the National Farmers' Union, Mr Hugh Macleod, chairman of the Lloyd's Register of Shipping, and Mr Leonard Peach, former chief executive of the NBS management board, are also knighted.

Among diplomatic awards, Sir Patrick Wright, head of the Diplomatic Service, becomes a GCMG, and Mr Piers Jacobs,

Hong Kong financial secretary, is knighted.

Among 46 political awards - to which only the Conservative and SLD parties contributed nominations - two senior ministers of state have been made peers. Mr Chris Patten, Minister for Overseas Development, and Mr Nicholas Scott, Minister at the Department of Social Security.

There are two knightships for long-serving Conservative MPs: Mr Pauline Hanson, MP for Havering (New Forest), and Mr John Hunt (Ravensbourne).

Mr Fred Trueman, the former England cricketer, is among sporting figures honoured. He receives an OBE, Mr Josh Gifford, the jockey, is made an MBE and Mr Ted Croker, the secretary of the Football Association since 1973, a CBE.

Details, Page 3

## UK businessmen's inflation worry

By Simon Holberton, Economics Staff

**BRITAIN'S** senior businessmen are concerned about the country's large trade deficit and the outlook for inflation, but they remain willing to give the Government the benefit of the doubt.

A poll of 500 company chairmen and finance directors, conducted for the Financial Times by ICM Research, shows that businessmen are almost evenly divided about the seriousness of the UK trade position.

A significant minority (32 per cent) believes inflation will peak at above 10 per cent in the current cycle and half of the respondents expect to be making higher pay settlements to employees in the coming year than in the past year.

The poll, which includes 296 respondents in manufacturing industry, discloses a high level of support for UK membership of the exchange rate mechanism (ERM) of the European

Monetary System. More than 70 per cent of the poll said Britain should join the ERM between now and mid-1991, which almost certainly means before the next general election. Nearly 50 per cent said they wanted full ERM membership by July 1990.

There is a wide dispersion, however, between what industrialists think is a competitive exchange rate against the D-Mark for British industry. Of the executives in the manufacturing sector, 44 per cent thought a rate at or below DM83 was appropriate, while 27 per cent opted for one higher than DM83.10. Nearly 30 per cent expressed no preference.

Some 54 per cent of respondents said their confidence in Mr Lawson's handling of the economy had gone down compared with a year ago, while 45 per cent said it remained about the same. Some 73 per cent

think the Conservatives will win the next general election. The poll's main findings are: 43 per cent regard Britain's current trade deficit as very serious, 54 per cent as manageable, and 3 per cent as not a problem.

53 per cent think inflation will average 10 per cent, 66 per cent do not.

47 per cent believe inflation in the UK will fall to 3 per cent within three years, 52 per cent think it will take longer.

50 per cent expect to make higher pay settlements in the next 12 months than in the last and 42 per cent about the same.

ICM interviewed directors of companies on June 15 and 16 for the FT. Companies with reported sales of £1m were selected at random from the latest edition of Key British Enterprises. Interviews were conducted by telephone.

## Labour Party Continued from Page 1

looking carefully at the implications for their own environmental policies of an unprecedented surge in support for the tiny Green party, which appears to have pushed Mr Faddy Ashdown's Democrats into fourth place in the European elections.

Despite their radical policies on the economy, on unilateral nuclear disarmament and on the European Community, the Greens attracted disaffected voters from all the main parties.

Mr Kinnoch was yesterday cautious about accepting the

results of a BBC exit poll which showed his party sweeping into a 12-point lead over the Conservatives, with 44 per cent of the vote.

If reflected in the actual poll, such a reversal might be Labour's present total of 32 seats in the Parliament to about 50 and cut the Conservative representation from 45 to 26.

Mr Roy Hattersley, the deputy Labour leader, said the results, taken with the party's comfortable victories in Thursday's by-elections in Glasgow and Vauxhall, would mark an

historic victory for Labour - "a massive step towards achieving a Labour victory."

Labour sees the outcome as confirmation that the Government's handling of the economy, Cabinet splits, and Mrs Thatcher's aggressive style of leadership have now severely weakened its reputation.

At the same time, Mr Bryan Gould, its campaign manager, said that the results provided clear evidence that his party's shift towards the centre following its two-year policy review had won the clear endorsement of the voters.

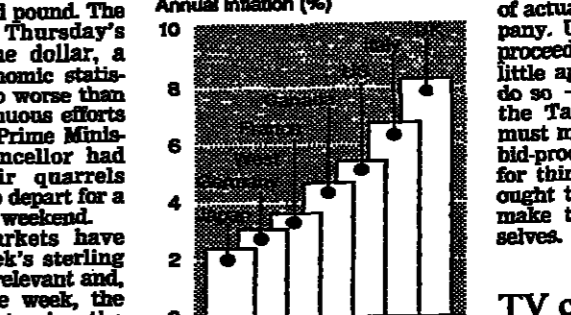
## THE FT COLUMN

### Praying for a quiet weekend

FT index rose 12.9 to 1,771.8

Group of 7

Annual inflation (%)



Latest year on year rates

220m at most this year off GA's pre-tax profits of (say) £240m. Even the gloomiest analyst would see the group having little trouble managing 15 per cent dividend increases until 1991.

But GA's shareholders scarcely expected to find themselves so deeply immersed in the banking business when they first bought 51 per cent of NZI last summer. To be involved in the turbulent Antipodean financial sector adds an unwelcome extra layer of risk to the group at a time when elsewhere, in the US and the UK, GA's motor insurance profits in particular can be expected to face an ever tighter squeeze well into the 1990s. And if GA's business profile is suddenly riskier, it is only reasonable that the shares are yielding prospectively 7.5 per cent gross.

Anyone can be unlucky enough to lose a financial adviser, a stockbroker or a solicitor; but to lose all of these in one day - along with three board members for good measure - is more than simply careless. And though the odd spot of intercompany strife never did Addison's shares any harm - they certainly would not be trading at nearly 20 times prospective earnings without it - yesterday's mass defections scarcely do much for the company's reputation. Nobody is suggesting that any impropriety was involved; but five separate sets of advisers have simply decided that doing business with the Addison board was far more trouble than it was worth.

That board has since taken on a wholly different colour. The rout of board members who might have entertained a bid from MAI is now complete.

### Addison

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### General Accident

Ever there was a situation proving that banking and non-life insurance do not mix, then General Accident's entanglement with NZI has been it. Some observers will give two cheers when they hear that GA is bidding for NZI outright; it has the attraction, after all, of ensuring that NZI Bank is purged completely of bad debts and bad management.

It is tempting to take a relaxed view about the short term consequences for GA of the NZI imbroglio. The expected goodwill write-off of £50m is small beer for an over-capitalised composite with more than £2.5bn of shareholders' funds. The insurance down-cycle and investment income lost on the £112m cash consideration for NZI will clip maybe

And the new board is effectively controlled by a 25 per cent shareholder who has achieved the happy state of dominance without the bother of actually bidding for the company. Unless Motivation does proceed to a bid - and there is little apparent reason for it to do so - its stake, plus that of the Taylor Nelson directors, must make Addison effectively bid-proof. One can be forgiven for thinking that shareholders ought to have been allowed to make that decision for themselves.

### TV companies

Perhaps the IBA will decide in the end to allow hostile takeovers of Britain's independent television contractors. Such a move could well inspire a market which finds it as difficult to value the making of TV programmes as it does to value food brands. But it remains difficult to see the attractions of such hostility: aspiring TV company owners will be able to bid for a franchise on their own terms, there are unlikely to be any bargains to be had among the existing companies before then, cushioned as they are by the system. Friendly takeovers, which have a higher chance of retaining quality staff, are far more likely, and the IBA has already said they are not ruled out.

### Time/Warner

Time's management has its work cut out in explaining to its shareholders how yesterday's revamped merger with Warner - basically the same as the first one, only with lots of debt added - can possibly be better than Paramount's cash. However, the somewhat muted response in the market yesterday suggests it may not come to that. In theory, the merger can simply be pushed through whether shareholders like it or not; but the courts may have a thing or two to say about it before then. Yesterday's suit filed by Time against Paramount was just the start of it: heavy legal traffic in the opposite direction now looks inevitable. In the meantime, absolutely anything is possible, including new and separate bids for both companies. Now that Time has actually put a cash price on Warner, other bidders may be inclined to beat it. It is making time for the arts; what the companies themselves gain out of it all is doubtful.

Table with 2 columns: FRANKFURT (Dms) and PARIS (FFrs). Lists various stock prices and changes.

Table with 2 columns: NEW YORK (\$) and LONDON (Pence). Lists various stock prices and changes.

Table with 4 columns: City, Yrly, Yrly, Yrly. Worldwide weather forecast for various cities.

BANGKOK 28°C 84°F Sunny FlyThai 01-499 9113

Advertisement for B.I.A. Bond Investments AG, featuring a logo with a cross and text describing investment services in Swiss Francs.

# Weekend FT

SECTION II

Weekend June 17/June 18 1989

## Wounds of war reopened

Memories of the vengeful atmosphere of post-liberation France are again being stirred. Paul Abrahams explains why

**A**S PAUL TOUVIER, the former head of the intelligence section of the Second World War anti-Resistance Militia in Lyons, lies ill with cancer in a jail hospital, many Frenchmen will be hoping that his illness prevents him being brought to trial.

Although the trial offers yet another opportunity for France to come to terms with its war-time past, the affair is more likely to be seen as damaging French interests. It threatens not only to reopen the still sensitive wounds left by the German occupation but also to re-emphasise the divisions in society — between left and right, church and secular — that have dogged France since the revolution in 1789. In particular, the trial will spotlight the role of the Roman Catholic Church, which has protected Touvier since the liberation of France in 1944.

After Touvier's arrest, the main body of the French Roman Catholic Church was able to avoid immediate criticism because he was discovered under the protection of traditionalists belonging to the Priestly Community of St Pius X, a group led by Mgr Marcel Lefebvre, the excommunicated opponent of reform within the Roman church since the Second Vatican Council, and virulent defender of the Tridentine mass.

It has now become clear, however, that the mainstream Roman Catholic Church is also implicated in Touvier's clandestine existence. A body called the Order of the Knights of Our Lady, which comes under the jurisdiction of Rome, is accused not only of hiding Touvier but also of providing him with financial support. Former resistants have also pointed out that the church played a significant role in obtaining a presidential pardon for Touvier in 1971. The pardon was signed by President Georges Pompidou only after persistent lobbying by Mgr Charles Duquaire, the auxiliary bishop of Lyons, and a Roman Catholic philosopher, Gabriel Marcel.

This support has surprised observers because of Touvier's well-publicised activities in the militia, the organisation set up by Vichy to combat the resistance. The charges he now faces under the heading of crimes against humanity — not covered by the presidential pardon — include his involvement in the execution of Jewish hostages and the murder of the octogenarian president of the League of Human Rights, Victor Basch and his wife, Hélène.

Colourful explanations have been given in the French press as to why the Roman Catholic Church should have protected Touvier. These have included a suggestion that he bought his protection in exchange for large quantities of loot acquired from the militia's victims. A popular version is that Touvier blackmailed the Roman Catholic authorities by threatening to publish incriminating material on their activities during the Vichy period. More plausibly, Touvier may have used his position in the last months of the occupation to tip church authorities about imminent arrests.

However, even if Touvier did help the Roman Catholic authorities in



Shaven-headed collaborators are paraded through the streets of Paris following the city's liberation by the Allies in August 1944

the months before the liberation, this assistance does not explain the continued support offered to him over a period of nearly 45 years. A more contentious and damaging explanation for this support is that certain elements of the church had sympathy for the aims, although not the methods, of the militia.

The main reason for that sympathy lies in the situation during the summer of 1944 when there was a widespread expectation that France was heading towards revolution. The introduction of rationing by the Vichy Government, after the debate in 1940, had failed to control the flow of money in wartime France. Class antagonisms had been aggravated as the rich were able to purchase food on black and other markets while the urban poor, in particular, went hungry. Infant and adult mortality rates in cities such as Paris, Lyons and Marseilles soared between 1940 and 1944.

The growth of violent resistance also encouraged fears of revolution. During the spring of 1944, the Vichy Government began to lose control of large parts of the countryside as the resistance movements became increasingly bold. Moreover, it appeared though the most active parts of the resistance were con-

trolled by the French communist party or confederates.

France seemed to be on the verge of civil war. By the summer of 1944, the British had distributed arms to about 170,000 men, including 20,000 Spontans. Some of these refused to accept the authority of either Charles de Gaulle, leader of the Free French, or the united resistance command, and owed their allegiance to their local commanders — who were described by the British Foreign Office as "warlords". In some areas after the liberation, the *gendarmes* refused to leave their stations after dark. One British Foreign Office diplomat wrote that the reports he was receiving on France appeared to describe the conditions normally found in civil-war China.

The reaction of the Roman Catholic Church to this growing disorder and chaos was muddled although, in this, it was no different from most Frenchmen. It was difficult to see where the interests of France might lie. "The situation was a strange one: a man's duty might require him to evade the law, and sloth could masquerade as patriotism," wrote one contemporary in 1944 of a reign of terror was beginning. Given this situation, it is less sur-

wrong, a certain degree of moral chaos could scarcely be avoided."

This confusion was evident in the church's reaction. Some priests encouraged their parishioners to disobey the government and avoid obligatory work service in Germany by hiding in the countryside. A number subsequently joined the armed resistance.

**F**or this advice, and other forms of resistance, many Roman Catholic priests were deported by the Nazis and subsequently died in concentration camps. Other priests, however, continued about the growing disorder in the countryside and aware of the friction between the peasants, who were perceived to be profiteering from the black market, and maquisards — many of whom came from the towns — encouraged people to join the militia. In the region of the Rhône-Alpes, these priests became targets for the resistance. Some were killed by the resistance, others simply ran away. General Doyen, who in the last year of the war was to command the French Army of the Alps, complained in September 1944 that a reign of terror was beginning.

Given this situation, it is less surprising that certain parts of the church were prepared to protect former members of the militia. It was later argued that the militia had foreseen the coming Cold War by recognising the Bolshevik threat as paramount. Indeed, some former militia members have argued that the resistance movements were so damaged that the communists were in no state to seize power at the liberation. In its own terms, the militia saved France — or at least a certain idea of it.

However, a more charitable reason for the decision of the French Roman Catholic Church to protect Touvier may be found in its tradition of Christian Humanism.

The *Spontans* — or purges — during the liberation period was at times brutal. Historians estimate that about 10,000 Frenchmen were killed by the resistance in the months just before and after the liberation. Those targeted included fascist parties, collaborators and civil servants. Militia members, in particular, were sought out for retribution. In Haute-Savoie, a department in south east France, where Touvier had been a member of one of the pro-collaboration parties called the Parti Populaire Français, 75 militia members were shot by the resistance after a trial last-

ing less than 24 hours. As they were killed, some shouting "Vive le Christ-Roi" and "Vive la France".

In the vengeful atmosphere of post-liberation France, there is little doubt that if Touvier had been caught, he would have been shot too. Jean-Pierre Lefèvre, secretary general of the Fraternity of Our Lady of Mercy, a group associated with the Order of the Knights of Our Lady, has argued that it was out of pity and charity that his organisation helped Touvier.

"I helped out Touvier because he was a hunted man, part of a family in distress," explained Lefèvre in an interview with *Le Monde*, the Paris-based newspaper. "I would have done the same for a communist republican or a member of the FTP (Francs-Tireurs et Partisans — the communist resistance)."

The bitterness and stream of accusations about events over 45 years ago may appear incomprehensible to many Anglo-Americans. However, their experiences during the Second World War were very different from those on continental Europe. In British and American collective memories, the Second World War was, as Studs Terkel, the American historian, has argued, the last Good War. In retrospect, it does not contain the later doubts, ambiguities and moral dilemmas of the conflicts in Suez or Vietnam. It was, in essence, an ideological war against fascism. There was a clear choice between good and evil.

Those choices were far more difficult in occupied Europe and the wounds created by the consequences of those choices are still scarcely healed. French historians have preferred the equity passion, but slightly more remote subject of the 1789 Revolution to that of the German occupation. Most of the significant academic research into France's war-time experience has come from Anglo-American scholars such as Professor Robert Paxton at Princeton University and Dr Roderick Kedward at the University of Sussex. Such is the sensitivity of the subject that a review by a leading French historian of Paxton's book, *Vichy France*, accused the American of Francophobia.

In France, however, the occupation period remains highly sensitive. Marcel Ophüls' 1969 film *Le Chagrin et la Pitié*, which explored the experience of Clermont-Ferrand during the war, remained banned on French tv until the early 1980s.

The trial of Touvier, a Frenchman, threatens to spotlight a delicate period of French history in a far more damaging way than that of Klaus Barbie, the former SS officer who was sentenced to life imprisonment for crimes against humanity in 1987. Indeed, France itself could be on trial rather than just Touvier. "It would be absurd to want to

make this period of French history into the trial of the church," complained Mgr Lustiger, the Archbishop of Paris who is of Jewish descent, when appearing on French television after the arrest. "It is the whole of France that should be at cause. A few months before the entry of de Gaulle into Paris, a million Parisians acclaimed Marshal Pétain. That is the true question."

By showing that France was fundamentally divided during the war, the trial could also destroy one of the sustaining myths of the French post-war settlement — that the vast majority of Frenchmen were united behind the resistance.

The myth of resistance was necessary in the post-war period, because by arguing that the resistance was a significant, popular and mainstream movement, the French could claim the country was naturally republican in a tradition dating back to 1789, that the Vichy fascist experience was an aberration, that France had been one of the Allies throughout the war, and that she had significantly contributed to her own liberation (and in doing so incidentally compensated for the debacle of May 1940). Finally, it allowed her to regain her rank as one of the big five in the post-war settlement.

**A**ll these sustaining and politically potent myths will probably be challenged by the Touvier trial. His personal archives, kept meticulously after the war, have been sequestered by the magistrates in Paris. Rumours are already flying as to their contents. Not least, the files will highlight the significant role played by many Frenchmen who fought against the resistance.

However, the Touvier trial offers more than an opportunity to reopen old wounds. It also provides France with the possibility of coming to terms with its own past. This process has been remarkably slow. In September 1971, after pardoning Touvier, President Pompidou explained his reasons:

"Our country has had, for a little more than 30 years, national drama after national drama. There was the war, the defeat of 1940 and its humiliation, the occupation together with its horrors, the liberation and the *épuration*, with let us recognise it, all its excesses."

There was the war in Indochina, and next the appalling conflict in Algeria with its horrors on both sides, followed by the exodus of a million Frenchmen chased from their homes (in Algeria) and then the blows of the OAS (*Organisation de l'Armée Secrète*) with its attacks, its violence and the resulting repression (by the state).

"So I feel I have the right to say: are we eternally going to prolong the bloody wounds of our national disagreements? Has the moment not yet come to draw the curtain, to forget these times when the French did not love each other and even killed each other? And I do not say this, even if there are hardened hearts here, for political ends, but out of respect for France."

Eighteen years later, it is clear that time has not yet come. But, if the Touvier trial happens, it could allow Frenchmen, not to forget, but to forgive a little.

## The Long View

### The slow fuse burning under industry

FOR WHAT is supposed to be a period of squeeze, it has a curious tendency almost to boom like an economic boom.

It is now a year since Nigel Lawson acknowledged belatedly that the British economy was running out of control and started to tighten monetary policy. Since last June, bank base rates have risen from 7½ to 14 per cent. But the intended results have been disappointingly slow to appear.

Growth in consumer demand has slowed, but retail sales in May were still up 4 per cent in volume terms compared with a year earlier. The economy, generally, appears to be buoyant, with unemployment — admittedly a lagging indicator — falling fast. The trade figures are, of course, dreadful. As for the stock market, share prices are some 15 per cent higher than a year ago.

Equity market strength at this stage of an economic cycle is unusual but, of course, the All-Share Index is still 12 per cent short of its all-time high in July two years ago. The anomalous steadiness of long-dated gilt-edged yields has helped equities. And there has been remarkably little fundraising by companies. But some of this could soon start to change.

What about the economy? Either the Lawson one-club slowdown is not happening or it is happening very slowly. And the problem with using very slow adjustment mechanisms is that you might become so anxious to see

results that you over-correct. The damage, naturally, will then become apparent, only very slowly — too late to prevent it.

Compare the Chancellor's near-empty arsenal with the battery of gruesome weapons employed by his predecessors in the 1960s and 1970s. Consumer credit controls — one-third down and two years to pay on cars — were the first standby, with an instant effect. The "regulator" was a power dating from 1961 to adjust consumer taxes up or down by 10 per cent. Import deposits could be slapped on to prop up the balance of payments. Then, there were the agonising "cuts" as public spending was reined back.

There was a lot more scope elsewhere on the monetary side, too, with special deposits and corsets to restrict the banks' ability to lend, and qualitative guidance from the governor of the Bank of England who would "request" banks to favour industry at the expense of nasty consumer and property business.

Not all of this was as effective as it was cracked up to be. There was a great deal of cheating with the corset, and as for the lending guidelines, I well remember one early-'70s secondary banker, rich temporarily on property financing, telling me that he would love to lend to manufacturers but they couldn't afford his interest rates.

All the same, the paraphernalia of stop-go were well-oiled



Without the battery of stop-go weapons used by previous Chancellors, Nigel Lawson has still to make his squeeze effective

and effective. In the 1980s, we had come to believe that we would never need them again, but that has turned out to be over-optimistic. However, some of the old measures have been

ruled out by European Community members, with the ending of exchange controls. Tax increases are perfectly permissible but, at this stage, seem to be impossible politically. The big gap is in the area of core controls on the banking system, where urgent thinking is needed.

In retrospect, a shock to the system a year ago might have changed economic behaviour more constructively than reliance on interest rates and re-assuring talk of "bolts". But the Treasury has been reluctant to attack its demand-side embarrassments for fear of damaging what it still regards as its supply-side success story. Fixed investment rose some 15 per cent in volume terms last year and will show a further, if smaller, increase for 1989.

So, Nigel Lawson contented himself with a modest attack on the personal sector, mostly through the housing market. With personal borrowing down, it seems likely that last year's extraordinary personal sector financial deficit — estimated at £17.2bn — will be sharply lower this year. But we know that the surpluses of the public sector and the overseas sector are, if anything, even bigger than for 1988. The remaining sector — companies — must be taking the strain.

Already, the corporate sector dipped into deficit in 1988 — by £2.2bn, the first time it failed to achieve a surplus since 1979. The trend is shown more dramatically by the net borrowing requirement of the industrial

and commercial company sectors which stood at a modest £1.5bn in 1984. In the next four years the figure rose to £7.2bn, £11.1bn, £23.6bn and then £41.6bn. Write in your own very big number for 1989.

For the moment, industry seems to be borrowing whatever it needs from the banks. Certainly, the broader monetary aggregates have failed to show any deceleration since Lawson started to turn the screw 13 months ago. Short-term borrowings may be expensive but industry is profitable and finance directors must be confident that, given the steep reverse slope of the yield curve, they will be able to fund their debt on comfortable terms in the long-term markets.

Perhaps this will be so if sterling continues to drift and the Government accepts an inflationary solution to its problems. But what if the Prime Minister digs in her heels? Given a determined attack on inflation, at some stage in the next year a real recession could set in. Industry would be attempting to fund its debts at the same time as the Government's fiscal surplus was evaporating and the Bank of England was no longer propping up the long end of the gilt-edged market.

That could leave the corporate sector facing a very different yield curve, while investors might be forced to realise that weight of money can sometimes be exceeded by weight of stock offerings.

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MARKETS

FINANCE & THE FAMILY: THIS WEEK

How best to guard against inflation

John Edwards talks to financial advisers about how best to invest a windfall legacy - bearing in mind the growing evil of inflation. Page III

Cash in on the dollar

The US dollar has risen strongly on foreign exchanges this year. Heather Farmhouse examines the options for small investors wishing to cash in on the currency. Page IV

New watchdog for unit trusts

Sara Webb meets John Fairburn, the new chairman of the Unit Trust Association, and finds him intending to "shout loudly about the rewards and the risks" of investing. Page V

Insurers split on drink ban

The move by Pearl Assurance to repudiate any insurance claims made by drivers and to make them pay for any damages resulting from an accident has put the cat among the pigeons for Britain's insurance companies. Eric Short reports. Page VI

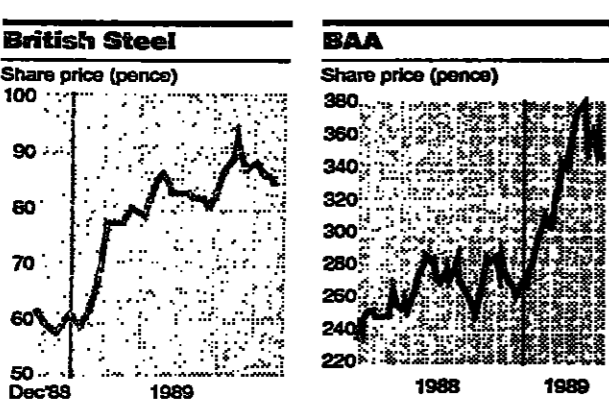
Plan now to boost your savings

Anthony Casswell concludes his series of articles on independent taxation for married couples with a call to start planning now to maximise your potential savings next April. Page VI

A snub for thinking small

Selling abroad is all things. Recovering your money is quite another. All small businesses that sell low-value items abroad have to face the problem of securing payment without seeing their profits swallowed up by handling charges and currency transactions. Roy Hodson meets one entrepreneur who fought her way through a maze of financial problems. Page VII

BRIEFCASE: Shares gone to the dogs: Page VI



Is the party over for British Steel?

Privatised British Steel weighed in with a 42 per cent jump in pre-tax profits to £593m for the year up to April. Turnover was up by almost a fifth at £4.91bn. However, some analysts believe that the period of astonishing profits growth for the company might be coming to an end. Production is almost at capacity, steel price margins are no higher than they were last year and it is getting tougher to squeeze out productivity improvements. This might under-estimate underlying profit trends. Profits would have been much higher but for large exceptional charges of £140m, against £36m for the previous year. Actual trading profits were up 65 per cent. Nick Garnett

BAA share price takes a tumble

Shares in BAA - the former British Airports Authority - took a tumble on Tuesday even though the company delivered a 19 per cent increase in pre-tax profits for 1988. The rise from £168m to £198m was bang in line with expectations and the boost to earnings was better than forecasts because of a low tax charge, but the shares dropped by 17p to 341p nonetheless. The reason: the company's intimation that the growth in profits would slow down in 1991 with the opening of a new £395m terminal at Stansted airport in Essex. The shares have recovered somewhat in the past few days, reflecting the fact that 1991 is a long way off. David Waller

Tax change for trusts

Trusts with both UK-resident and non-resident trustees are to be subjected to a more restrictive tax regime. The trustees of these so-called "mixed resident trusts" will be treated as UK resident, unless at the time the trust was set up the settlor was not resident, ordinarily resident or domiciled in the UK. The Inland Revenue practice had already been to tax mixed resident trusts set up under UK law on their worldwide income. However, the House of Lords recently ruled that this practice was not legally correct - hence this week's change. Without the amendment, says the Revenue, it would have been possible for trustees who are all resident in the UK to escape UK tax simply by adding one non-resident trustee and investing overseas. Trusts where all the trusts are resident on the UK, or where none are, will not be affected. Richard Waters

Interest rates take a toll

The current high interest rates are taking their toll on consumer spending and home-owners' savings plans, according to research commissioned by Zurich Life. Borrowers in the 25-34 year age group appear to be the most seriously hit by the increase in mortgage payments, with 70 per cent claiming that high interest rates had affected their lifestyle. Taking all age groups, 36 per cent said that their savings plans had been affected; 27 per cent had decided against buying a new car, and 22 per cent had cut down on going out for a drink or a meal. Furthermore, 18 per cent said that they had altered their holiday plans and 26 per cent had decided against moving home. S W

Companies scramble to join the green bandwagon

THE SIGHT of companies, like politicians, falling over each other to display their "green" credentials has prompted a great deal of applause and a certain measure of cynicism. The environment is the major theme of 1989. Green issues are a key topic of conversation at company presentations where businesses are increasingly anxious to defend their record. Such sentiments were to the fore earlier this week when the spotlight was on the ubiquitous, non-biodegradable plastic carrier bag - which in any league table of un-green products, would surely be a contender for the championship. However, Alida Holdings, one of Britain's top two manufacturers, and Scott & Robertson, the leading maker of polythene film, managed, when they announced their merger, to accentuate the positive on the environmental front. The combined group, they stressed, would be the country's largest recycler of polythene, mostly using waste from

Thankful for small mercies

Footsie advances despite highest inflation figures for seven years

THE HIGHEST retail price inflation figures for seven years and strong evidence of the Labour Party's highest share of the vote in a national election for more than 20 years greeted on Friday a 14.2-point advance in the FT-SE 100. This lifted the index to a 1.2-point gain on the week to 2143.3.

Had the City gone Red? Had heat exhaustion, aggravated by another one-day Tube strike, finally taken its toll? Or was the market simply thankful for small mercies?

After all, the year-on-year rate of inflation in May was only 8.3 per cent. Britain's voting day in the European elections had passed, and base rates remained at 14 per cent, not the 15 or 16 per cent that had been banded about earlier in the week. The sigh of relief did not suggest that anyone had been

convinced by the Prime Minister's increasingly insistent protestations of her "generous" support for the Chancellor. It was a reflection of satisfaction that the dollar's rise appeared to have stumbled over the first effective central bank intervention for some time. Early on, the pound was trading nearly 2 1/2 cents stron-

associated with the Thatcher era. Seatchi & Seatchi unveiled interim profits of £20.2m, less than a third the level reported in the comparable half. More significantly, Seatchi said it would "refocus" its business on communications by selling or floating its consultancy arm. Successful companies were also talking about focusing on

owned Rascal Telecom reported pre-tax profits of £177.9m and \$85m respectively. The star result of the week, ironically, came from a company which managed to increase its profits by less than 1/4 per cent to £115.1m. But S.G. Warburg Group's ability to achieve even that advance, after transfer to inner reserves, stood out starkly against other recent results in the merchant banking and securities sector.

Announcing its first figures as a quoted company, British Steel increased pre-tax profits by 42 per cent to £583m in the year to April, comfortably ahead of the forecast at flotation. Trading profits were better than estimates but redundancy and rationalisation costs also exceeded expectations. Another privatised group, the airports operator BAA, lifted pre-tax profits by 19 per cent to £198m, but the shares suffered because of worries about flattening its earnings growth in 1991 after the opening of a new terminal at Stansted. If air traffic congestion and the grounding of aircraft continue on their present course, Seymour, BAA's choice of name for its four-star hotels, may well describe what passengers will be doing of its airports.

Mercury, British Telecom's only nationwide domestic competitor, produced its first profit for the year, which overall reported an 18 per cent advance to £420m. C&W pleaded for patience about prospects in China and Hong Kong. Its shares regained 10p of the 69p they had lost since the takeover in Massachusetts. Industrial companies had contrasting tales, but none was especially encouraging. Pilkington lifted pre-tax profits by 7.6 per cent to £326.2m and

Base rates remained at 14%, not the 16% banded about earlier in the week

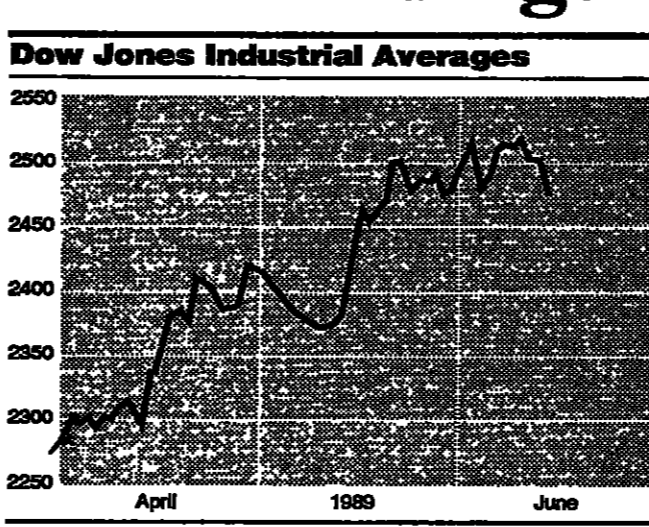
core activities. British Petroleum added its coal interests to the sell-off list, and United Biscuits said it would entertain offers for the restaurant unit led by Wimpy and Fizzland. Similarly, Rascal Electronics sold its instrumentation division to GEC Marconi for £31m and hinted of further disposals. Rascal and its 80 per cent

**HIGHLIGHTS OF THE WEEK**

	Price y/day	Change on week	1989 High	1989 Low	
FT-SE 100 Index	2143.9	+1.8	2204.7	1782.8	Interest rate nerves.
Alida Hldgs.	340	+65	380	270	Agreed bid from Scott & Robertson.
Ameraham Int.	434	-71	522	426	Results worse than expectations.
Argyll Group	224	+18	224	164	Presentations/institutional demand.
BAA	349	-10	388	284	Co. reaffirms Stansted div. costs.
BAT Inds.	663	+33	665	447	US buying on S strength/div stories.
Beas	998	+29	1003	793	MMC reforms may be watered down.
Brookmount	625	+50	590	470	Agreed bid from Ford Sellar Morris.
Imry Merchant	487	+23	488	405	Continued bid speculation.
Leigh Interests	332	+40	332	225	"Green" companies do well.
Rascal Electronics	515	-33	579	275	Profit-taking.
STC	361	+19	384	251 1/2	House Govett "buy" recommendation.
Seatchi & Seatchi	286	-28	421	282	Poor interim results & comment.
Sturge Hldgs.	256	+20	270	224	Excellent interim figures.
THORN ENI	753	+36	763	625	Nonara "buy" recommendation.

WALL STREET

Will we see a soft landing?

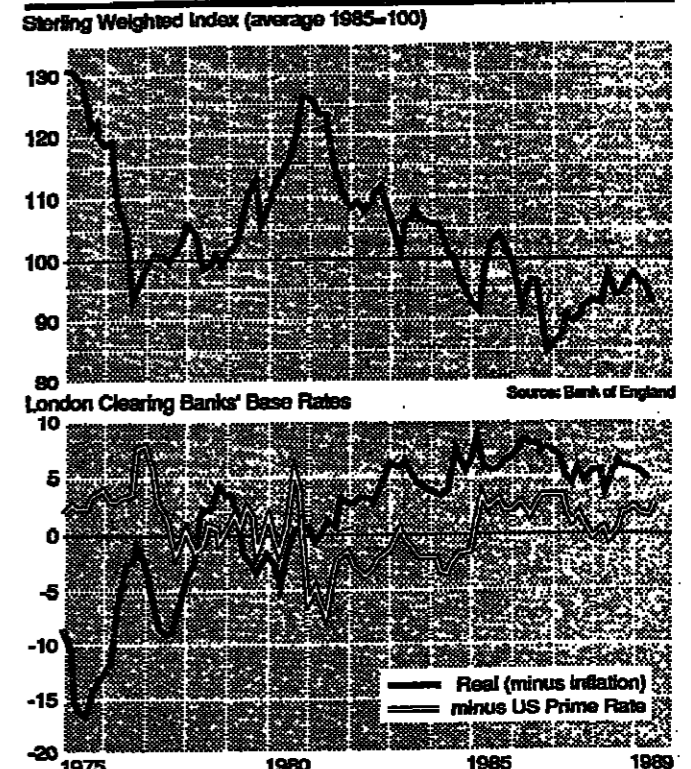


as some analysts started to observe after the huge rally in bond prices last week. Even if the Fed does not ease its policies deliberately to reignite the economy, Wall Street has already done the ending job for it, by pushing down the yield curve and raising its lowest level for more than two years. As Eugene Sherman of the Federal Home Loan Bank of New York argues, the bond market rally last week will soon be followed by a similar rally in the stock market. As a result, the seven-year old economic expansion which began in 1982 will be lengthened, but it will not end in a more dramatic conclusion. "The markets have apparently bought another six to nine months of expansion, but at the cost of higher, more deeply embedded inflation," says Sherman. The ultimate consequence, however, will be "a deeper and longer recession." If predictions like these turn out to be right, then the next year will prove a perilous one for equity investors, since stock prices are likely to turn decisively downward six months to a year before the next recession begins. However, as argued last week, declines in bonds, rather than equities, should give the first signals of the transition to an inflationary blow-off at the end of the business cycle. Thus, even if this week's sudden decline in bond prices turns out to be the start of a new bearish trend, there could yet be some time left in store for the stock market - and equity prices could yet top the records they set two years ago.

JUNIOR MARKETS

Hold out for the good times

SHOULD YOU feel depressed by the dull performance of the Unlisted Securities Market, take heart. According to Peter Hewitt of First Charlotte Assets Trust, it is just a matter of time before it gets a major boost. "The market's sentiment to smaller companies will flip suddenly," he predicts. "Then you won't see a number of stocks for dust." It is perhaps unsurprising that Hewitt, as manager of one of the few USM specialist funds, is beating the drum for the junior markets. None the less, the extent of his enthusiasm is striking. "We genuinely are excited about the smaller company sector and the USM in particular," he says. "Smaller companies are relatively and absolutely cheaper than they have been for any period in the 1980s." The statistics back this up. USM shares were on a 30 per cent premium to larger companies at the end of 1988, compared with a 35 per cent premium two years earlier and a 152 per cent premium back in 1983. (The figures are based on comparisons of the price earnings ratio of the USM funds index to that of the FT "500" index.) The impression that USM companies are commanding relatively modest ratings is not altered by the glut of new issues that have recently joined the market. There have been no fewer than 11 arrivals since the beginning of the month, most of which had multiples of 13 and under. Exceptions are Alan Paul, an ambitious hairdressing chain which joined with a 9 1/2 x 21, and James Smith, a property investment company, which had a p/e of 31. Nor have most of these new issues achieved premiums to their placing prices. Most are trading at or just above the issue price, except for A H Bell, which lays pipes for water companies and so should benefit from the backlog of capital spending necessary for the industry. It is now trading on a 27 per cent premium to its issue price of 165p. Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading. With the plethora of new issues of recent weeks, the number of new issues this year has - after a desperately slow start - risen to a respectable level. Although the first quarter had an abnormally low number of new issues at 13, the second quarter seems likely to bring the total to 32. That is not far short of the total in 1986 and 1987, although it is much lower than 1988's first half total of 58. It is not clear whether new arrivals will continue at this rate. Since flotations take several months to mature, the cur-



Johnson Matthey by 6.3 per cent to 264.4m. But American International reported a 15 per cent decline to £71.4m and Chloride Group was down by a third to £12.2m, flattered even there by unusual accounting. As headlines warned of botulism in hazelnut yogurt, previous food scares took their toll on two companies. Northern Foods said Hysteria hysteria had cost it £1.5m in profits, and Unigate said its results had been restrained by a post-salmonella glut of chickens. General Accident turned out to be an apt description of the state of affairs at hapless NZL. An after-tax loss of more than NZ\$2830m (£120m) at the Kiwi insurance and banking group prompted GA to mount an agreed \$112m bid for the outstanding 49 per cent minority. The salvage operation will allow GA to sort out the mess, but its shares lost 9p to 820p on Friday. Gateway, facing a hostile offer from Isocolet worth £1.67bn, lost a possible escape route when the US grocery chain A&P and Kohlberg Kravis Roberts, the leveraged buy-out specialist, broke off talks about a possible joint bid. The management team trying to take Magnet private says it will have encouraged a record-breaking \$228m offer unconditional, and extended the terms for the kitchen furniture manufacturer's convertible preference shares. By Tuesday, acceptances had been received from only 60.5 per cent of the offer, but the bidder and its lenders appeared confident that the key 90 per cent threshold was within reach. The share price for Abbey National's pioneering flotation was set at 120p, at the lower end of the target range and a discount to net asset value of nearly 25 per cent. Clay Harris

Companies which take account of green issues are likely to prosper

A manufacturer that makes equipment for quarrying and construction may seem another rather improbable green candidate. Not so, however, according to the publicity that accompanied the results of Powerscreen International. Powerscreen's equipment recycles waste material on construction sites, "which avoids transporting waste in environmentally sensitive areas and conserves scarce resources of new materials," it declared. Perhaps some of the most obvious candidates for green publicity are the waste disposal companies. Waste disposal specialists, like water purifiers and manufacturers of alternatives to chlorofluorocarbons, have seen their shares soar this year. The reasons for their popularity were emphasised by H T Hughes when it reported its sales promotion and junk mail company which devoted much of its results press conference on Monday to discussing a metal recycling cum amusement machine to which it has the marketing rights. Old cans, which are crushed, sorted and sent to recycling plants, are used to "pay" for games in the machines, which are based in supermarkets and filling stations on the Continent. As one of Europe's largest producers of junk mail, it may be tendentious to argue that KLP's contribution to recycling suggests a deep-felt environmental concern. But the underlying motive may have very little relevance to their skills at exploiting green marketing opportunities. As James Capel points out in its newly-published "Green Book" of investment research (printed, of course, on recycled paper), the result is the same whether green policies are the result of conviction or a cynical exploitation of what the customer is looking for. "Companies that understand this movement and take it into account in their planning are likely to prosper at the expense of those that do not." For the City, environmental issues have become something of a bandwagon, with companies scrambling to make the most of marketing opportunities. However, nobody can ignore the unpleasant side of the issues which, at the least, will incur substantial costs. On Wednesday, ICI announced that it was setting up a new environmental monitoring system for its plants in a drive to cut pollution. "In the past at ICI we have tried to keep ahead of public opinion in this area but we realise now that we are not living up to what the public expects," said Chris Hampson, its environmental director. On the same day, Denys Henderson, chairman of ICI, touched on perhaps the biggest issues for companies concerned about the environment. Global warming, perceived as the biggest and most serious environmental issue, has highlighted the possibility of drastic measures that could even extend to suppressing economic growth. Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said. Vanessa Houlder

rent surge may reflect the revival of the market in January and February. That same surge will have encouraged companies that had been wavering during the gloomy market at the end of last year. However now, some corporate financiers suggest, the economic uncertainty meted out by high interest rates could again have a deterrent effect. "There is a trend for people to reconsider flotation," says Linda Comfort, a director of Allied Provincial Corporate Services. In any case, more new issues are due before the end of the summer. One such is Forwell Group, an office interior design company that is being brought to the unlisted securities market by Lloyds Bank and Hoare Govett. With their blend of creativity and commercialism, interior designers often seem glamorous investments. However, their record on the stock market has generally been unimpressive. All too often they have had poor financial controls, narrow customer bases and vulnerability to delays. Forwell is determined to buck the trend. Michael Wheller, chairman, emphasises the importance of an interest in commercial and management matters. "A lot of architects have had problems because they are still run as a partnership, not as a business," he says. "Profit is another matter of the design world." His rather different attitude was demonstrated by taking book-keeping at night school and by his emphasis on computers. All employees now have a computer screen on their desks to keep them abreast of the costs of their current project and within their budgets. Wheller concedes that Forwell does not have a huge client list. This year Prudential-Bache, the US broker, will account for a tenth of turnover while General Electric of America is the largest client with 15 per cent of turnover. But he insists that Forwell's active marketing programme will avoid any "lumpiness" in its order books. Another cause for concern might be Forwell's concentration on the City, which accounts for about a third of its business. If business falls to pick up for City firms, refurbishing costs - which are about £20 to £30 a square foot - might seem an obvious area for economy. Wheller, however, is undeterred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year. Vanessa Houlder



FINANCE & THE FAMILY

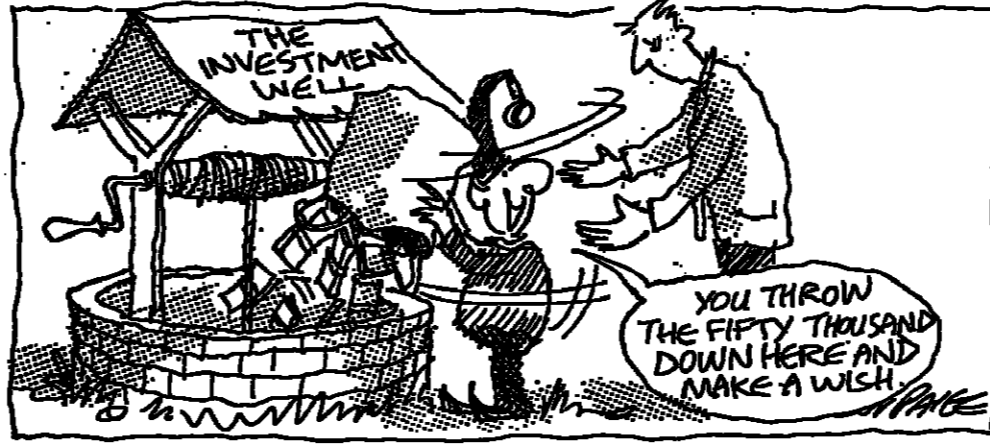
Do financial advisers have all the answers? John Edwards asks them a testing investment question

How do you guard against inflation?

HOW DO savers protect themselves against inflation? With this week's confirmation that the official annual rate of inflation has now risen to 8.3 per cent...

what they would suggest for an investor who received a windfall legacy of around £50,000. Obviously, in real life the advice would be dependent on the individual circumstances and requirements of each investor...

£20,701 a year in taxable income. The second example was of a 60 year old, also married but with no dependent children, who is a basic rate taxpayer.



Recommendations for a 60-year-old

Analysis Financial Services: Maximum investments in new style KIIHK PEP of £4,800 each and £5,000 each in National Savings Index-linked bonds. £15,200 divided equally in three unit trusts - Prolific Extra Income, Fidelity Growth & Income, and Mercury American Income.

as well as retaining proportion of cash in a building society. Use about 50 per cent of portfolio to invest in shares to maintain growing stream of income and maintain balance on assets.

into EFM High Distribution and Morgan Grenfell International Growth. Towry Law. It is assumed investor already has some cash into a building society account. Maximum of £15,000 into a high income variety of Personal Equity Plan £20,000 into unit trusts, split £12,000 into UK monthly income portfolio and £8,000 overseas funds.

Analysis Financial Services, of Stratford, Redditch does favour index-linked gilts, since he says they reflect the current expectation of higher inflation, unlike international savings certificates. He advocates £25,000 going to the KIIHK & Co old and new style PEPs; £5,000 (the maximum) by husband and wife into National Savings Index-linked bonds; £10,000 Legal & General Bond unit trust to provide a spread of fixed interest investment and £4,000 divided equally between MLA American, Fidelity European and MIM Britannia Japan Smaller Companies.

specific without more details of the investor's aspirations and attitude to risk. But the portfolio would probably include a mixture of equities, 40 per cent; index-linked gilts and cash in a building society. Hargreaves & Lansdown, Bristol based intermediaries. Stephen Lansdown recommends £10,000 into PEP plans, with emphasis on capital growth. £30,000 into five growth unit trusts consisting of £7,500 each in Barclays Unicorn American Recovery and MIM Britannia Japan Performance, plus £5,000 each in Morgan Grenfell European, Thornton Tiger, and TR Special Opportunities. He also suggests £10,000 in an investment trust portfolio.

suggests putting the maximum possible (just over £25,000 for a married couple) into a Personal Equity Plan, with the emphasis on capital growth investments. Next £25,000 into unit trust growth portfolio mainly overseas to complement the PEP holding. This would have a geographic weighting of 45 per cent in the UK, 30 in Far East, 15 in Europe and 10 in North America. Last £10,000 into endowment/annuity plan to provide secure growth and tax-free income after 10 years.

Whitechurch Securities, Bristol-based intermediaries. Kean Seeger says any portfolio should have 25 per cent in cash, preferably in a building society, and the remaining 75 per cent mainly in the UK market, including a spread of low risk and split capital investment trusts.

Wise Speke, part of the Newcastle-upon-Tyne based stockbrokers owned by the Sturge group. Chris King assumes that no spendable income is required and the investor wants long-term growth so is therefore prepared to take some risk.

Wise Speke. Assumption made that income is needed and not too much risk can be taken. £10,000 in index-linked National Savings; £20,000 into high income producing vehicle such as a guaranteed income bond or the Warren gilt plan. Remaining £20,000 invested in a managed PEP (£15,000) and £4,000 in unit trust - M & G Dividend or M & G Midland.

Go for Abbey shares, says City

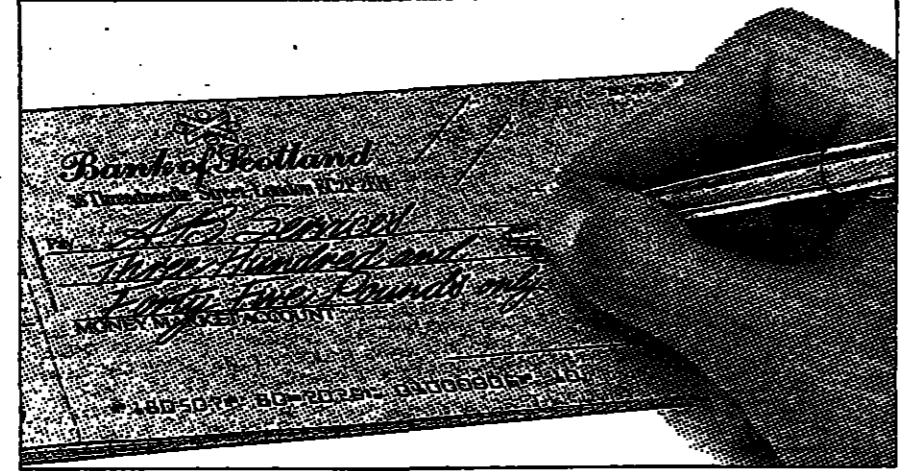
IF YOU are an Abbey National building society member, you will hardly need reminding that it has set a 130p per share price-tag on its stock market flotation next month. This means that, if you are one of the 5.6m people who are eligible (in other words an employee or account holder), you are guaranteed 100 free shares worth £130, or 200 (worth £260) if you are both a saver and borrower for...

price is about 5, and, more importantly, the prospective yield is about 8.5 per cent. The terms, which also provide a 23 per cent discount to net asset value, look generous indeed against comparable shares like the clearing and Scottish banks, and the TSB. Just to bring them into the correct relationship with their peer group, the shares should rise to 150p-160p. Early on, demand for retaining applications to hold shares in the FTSE 100, which Abbey will join, will help sustain the upward price pressure. Institutions, moreover, will not be able to ignore the Abbey and this should provide a useful underpinning to the price in the longer-term. All in all, it looks well worth foregoing the interest you would otherwise receive if you are taking money out of your savings account to pay for the shares, and enduring the small aggravation of having to fill in the application forms. It would probably be prudent, however, to wait until a little closer to the June 28 deadline for retaining applications to branches (or June 29 by post) just in case something very nasty happens to the stock market in the meantime.

Clare Pearson Dealing service. ABBEY NATIONAL is launching a seven-days-a-week sharedealing service. If you only want to sell part of your share allocation, you will receive a new share certificate at no extra charge. In cases where up to four members of a family each have their own share certificates, you can batch them all together in one batch and only pay one commission, although there is still an administrative charge of £1.50 and VAT for each extra certificate. When it comes to buying, members can buy up to £3,000 in Abbey National shares over the telephone. Everyone will receive an explanatory booklet about sharedealing with their share certificates. In addition, there will be a telephone helpline service, and a 24-hour price information telephone line.

Money Market Cheque Account from Bank of Scotland.

THE ULTIMATE HOME FOR ALL YOUR MONEY. INTEREST CREDITED MONTHLY AND SO ACCESSIBLE WITH NO PENALTY FOR EARLY WITHDRAWAL. Compare the benefits with your existing investments. Do you enjoy... High interest linked to Money Market rates... No notice of withdrawal... A cheque book for easy access... Easy lodgement of additional funds... A Bank of Scotland Visa Card... The security of a major UK clearing bank... A monthly income facility with interest paid to any UK bank account.



Available throughout the UK. No need to have another account with us. Interest is calculated daily and either applied monthly to your account or credited to any UK bank account. The first nine debits per quarter are free of charge, thereafter a charge of 50p per debit will apply. Money Market Cheque Account is available through Home and Office Banking (HOBS) another leading service from Bank of Scotland. (Tick box for details.)

Table showing interest rates: 10.01% Net Rate, 10.49% Net Compounded Annual Rate taking account of monthly interest remaining invested, 13.99% Gross Compounded Annual Rate to Basic Rate taxpayers.

Table showing interest rates: 12.80% Applied Rate, 13.58% Compounded Annual Rate taking account of monthly interest remaining invested.

Application form for Money Market Cheque Account. Fields include: Full Name, Address, Postcode, Sort Code, Branch, Account Number, Date, Signature, and Date.

TO OPEN YOUR OWN MONEY MARKET CHEQUE ACCOUNT... Simply complete the coupon, enclose your cheque, and post to: Bank of Scotland, FREEPOST, 38 Threadneedle Street, London EC2B 2BB. An acknowledgement of your deposit will be sent by return and your cheque book will follow a few days later.

\* Subject to status and permanent UK residency.

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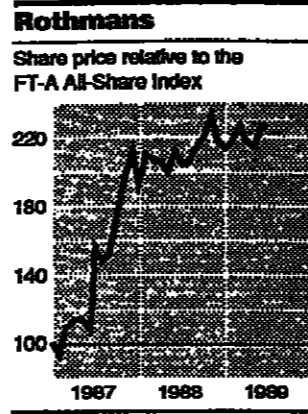
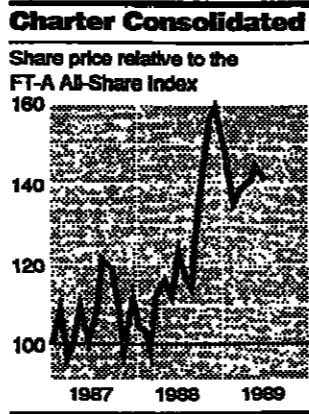
FINANCE & THE FAMILY

THE WEEK AHEAD

Family connections pay off

COMPANIES WITH connections - all sorts of them - dominate the list of progress reports expected next week. The corporate week is fairly quiet, although Kleinwortson's UK Action Weekly offers other attractions...

in the current year have been dashed by the slump in the residential property market, which has led analysts to slash their 1989 forecasts for Hambro Countrywide from a profit of more than £16m to a £10m loss.



lower sales in its April statistics, says Mark Gibbon of BZW Research. So, while the brokers are gloomy for 1989, the rise in profits for 1988 for last year, they are cautious about current year prospects.

American-De Beers South African mining empire did a management reshuffle. Famous for skating on banana skins in the earlier 1980s, Charter had been moving well in the market since 1985. It lifted its 1987-88 profits by 31 per cent to £55.4m before tax, helped by a rise in its stake in Johnson Matthey to 38 per cent and interest received from a £190m cash position.

and indicate net cash resources of £500m, or 30 per cent of the company's stock market capitalisation. He thinks that its "glit edged" equity investments in Dunhill and Cartier will have been the main contributors to last year's growth.

Table with columns: Company, Year, Pre-tax profit, Dividend, Dividend yield. Lists various companies like Alpacorp Group, Alpacorp, Alpacorp Int'l, etc.

IN BRIEF

Golden opportunity for share dealing

COMMISSION-FREE share-dealing is a boon for small investors. Starting next month, savers with the Cheltenham & Gloucester who have more than £5,000 in a Cheltenham Gold Account can use the building society's share-dealing service free of commission...

with its own package of goodies. Savants who open an account with the bank either receive £15 in cash or a £20 voucher to spend on clothes and accessories from the Next Directory.

Cash in on the mighty dollar

IN TIMES of trouble, the US dollar tends to come into its own. As the political situation worsens in China, the dollar has gained. However, the rise in the currency this year has been more than a knee-jerk reaction to international unrest.

Heather Farmbrough on ways to maximise gains from a strong currency. Invest in shares or unit trusts in dollar-related areas such as Singapore, Taiwan and Australia.

strength which is important. The recent strength has been the revaluing of an undervalued currency, which is now fairly valued. Over this period, the pound has fallen to its lowest point against the dollar since 1987, while the yen and D-mark have also suffered.

William Cochrane. Nevertheless, he thinks that the dollar is likely to remain strong for the immediate future, and that by the end of the year it could stand at \$140 against the pound.

INTERIM STATEMENTS

Table with columns: Company, Half-year, Pre-tax profit, Interim dividend. Lists companies like Archimedes Inv. Tot., Bradstock Group, Burdette Investments, etc.

GIROBANK launched its Key-way interest-bearing cheque account this week, paying interest at a rate of 6 per cent net on all accounts kept in credit.

LEGAL & GENERAL launched two index or "tracker" funds this week - one investing in Japan, the other in Europe - both of which aim to follow the appropriate FT index for the market.

'Broker bonds' behind the hype

IT SOMETIMES seems that the launch of a new investment vehicle differs little from that of a new soap powder, involving a lengthy period of market research and an overdose of hype.

from equities with a measure of stability. It invests 20 per cent in the City Reserve Fund, 20 per cent in the Gilt Growth Fund, 40 per cent in the UK Blue Chip Fund and 20 per cent in the Overseas Fund.

force by investing in the Zenith Fund, and would then aim for balanced growth over the next eight years by investing in the Dimensions Folio Plan. The emphasis then switches to security, investing in the Windsor Folio for three years and in the Harbour Fund for the final year.

Eric Short. This investment technique has "accuracy" written all over it, being an ideal strategy for a personal pension contract.

RESULTS DUE

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists companies like Aberlyne Holdings, BET, Blacks Leisure Group, etc.

COMPANY NEWS, TAKE-OVER BIDS AND MERGERS

Table with columns: Company, Bid price, Offer price, Bidder. Lists companies like Auloff, Aldi, Bona Macell, etc.

The added cost of holidays

IF YOU are still at the stage of poring over the glossy travel brochures and have not yet picked your holiday destination, take heed. The cost of holidays in Spain, Yugoslavia, Portugal and North America have risen in the last year by more than the level of retail price inflation in the UK, according to a recent report from Lloyds Bank.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table with columns: Cleared rate, Compounded return for depositors, Frequency of payment, Tax (see notes), Amount invested, Withdrawal (days). Lists various interest rates for different terms.

INTERIM DIVIDENDS

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists companies like Anglo Television, Arrol Nicholson, etc.

UK GOVERNMENT STOCKS

Table with columns: Stock type, Yield, Frequency, Tax, Amount invested, Withdrawal. Lists various government stocks like 5pc Treasury 1988-89, etc.

MONEY MARKET ACCOUNT

Table with columns: Account type, Yield, Frequency, Tax, Amount invested, Withdrawal. Lists accounts like Schroder Wagg, Provincial Bank, etc.

UK GOVERNMENT STOCKS

Table with columns: Stock type, Yield, Frequency, Tax, Amount invested, Withdrawal. Lists various government stocks like 5pc Treasury 1988-89, etc.

\*Dividends are shown net of tax per share and are adjusted for any intervening scrip issue. % Kenyan cents per share.

\*All cash offers. Offer subject to a 2.5% bid. Offer subject to a 2.5% bid. Offer subject to a 2.5% bid.

\*Lloyds Bank Holidays 90-day, immediate access for balances over £5,000. Special facility for extra £10,000. Paid gross. 3 tax free. 4 Dividends paid after deduction of basic rate tax.

FINANCE & THE FAMILY

Crusade over charges

A CRUSADE against the rise in unit trust charges has been launched by Torevell Mahon Granville, the Manchester-based financial planning subsidiary of the Granville investment group.

In return, though, E&L had to agree not to make any further increase for at least two years in the front load charge and also to keep the annual management fee on its higher income trust at 0.75 per cent value of the fund for the same period.

It pays to intermediaries to 4 per cent compared with the industry norm of 3 per cent. But Alan Torevell, managing director of TMG, feels strongly that the apparently inexorable rise in unit trust charges is coming at just the wrong moment, with many investors still wary about going into the stock market after the October 1987 crash.

Sara Webb finds that the UTA's new head intends to 'shout loudly about the rewards and the risks'

Taking the mystery out of unit trusts

he intends to "shout loudly about the rewards and about the risks" so that people are aware fully of the fact that unit trusts can go down as well as up in value.



John Fairbairn

John Fairbairn maintains the only people who lost money in unit trusts were those who had to pull out soon after the crash. While those who held on recouped their losses, in fact, his own motto appears to be "hand over the money and forget about it" and he claims he never looks at his own investments to check on their progress because "I don't see the point."

development side and later becoming deputy chairman of the group and chairman of the charitable trust which owns 33 per cent of M&G.

on the grounds that it "puts people off if they think you're trying to sell them something financial." As it turned out, not enough members of the UTA were in favour of advertising under a common banner for the idea to go through.

Rather, he expects a more gradual movement across the Channel with groups either entering joint ventures, making acquisitions or linking up with agencies.

that "we have to be seen to be looking after the interests of unitholders." he sees no reason to change the way that commissions and charges are levied.

With initial charges sometimes as high as 6 to 7 per cent and annual management fees in the range of 1 to 1.5 per cent, many people need a lot of convincing that unit trusts are a good home for their money, especially when they realise that £100 invested shrinks to £94 the instant that it is paid in.

Fairbairn defends such charges on the grounds that marketing and advertising costs have escalated in recent years, although he concedes: "It would be a pity if charges got much higher because it would kill the goose which lays the golden eggs."

The unit trust groups are now free to pay intermediaries more than 3 per cent in commission on the introduction of new business and, as a significant proportion of new business comes via intermediaries rather than from direct mailing, Fairbairn believes the end of the maximum commission agreement could put pressure on management charges and result in further increases.

"Management charges have gone up quite a lot in the last two years because of the burden of compliance with the Financial Services Act," he says. His advice to investors is to ask intermediaries how much commission they are being paid by the unit trust group before handing over any money.

Japanese lure

MANY INVESTORS are very wary about investing in the Tokyo stock market. By normal Western standards, it is over-valued grossly and seems long overdue for a collapse.

Instead, against all the odds and much to the chagrin of professional fund managers, it keeps rising. As a result, those nervous investors have missed out on the market providing some of the best returns.

To tempt investors into its new Japanese Portfolio fund, Cazenove has come up with a scheme which, it claims, is unique for an authorised unit trust. The aim is to reduce the potential risk of a market collapse.

During the initial offer period up to July 7, investors are offered a guarantee that if the Nikkei Dow stock index average three years from now (in the five days up to July 7, 1992) is more than 33 per cent below the average level of the index in the five days up to July 7 this year, then Cazenove will pay the sterling equivalent of the difference.

completely open-ended guarantee: at present, Cazenove will cover only the first £30m of any losses.

The important point of this guarantee of reduced risk is that it is not being financed by the fund. Cazenove is paying it out of the initial front load charge, so it will not affect the fund's performance.

Harry Henderson, managing director of Cazenove unit trust management, says the protection scheme, arranged with Nippon Credit International, is an entirely separate arrangement that it uses already as an insurance policy for pension funds. It had been decided to extend the scheme to unit trust investors so that they could get full Japanese market exposure with reduced risk at no extra cost.

Management charges for the Japanese fund, as with the three other Cazenove unit trusts, are at the bottom end of the scale: 5 per cent initial and 1 per cent of the value annually. There is a fixed offer price of 50p during the launch period until July 7.

John Edwards

EXTRA HIGH RATES WITH ONLY ONE MONTH'S NOTICE 10.7% 13.67%



ONE MONTH NOTICE ACCOUNT offers

- Extra high interest - calculated daily, credited monthly
No penalties for withdrawals when one month's notice is given
Withdrawals on demand may be permitted subject to a fee
Minimum initial deposit: £2,001
No bank charges

For further information please telephone David Carroll on 01-629 6802, or FREEPOST the coupon below.

AAB - Allied Arab Bank is an established British Bank, registered in the United Kingdom and is recognised as an Authorised Institution under the Banking Act 1987, with its Head Office in the City and a Branch in the West End of London.

To: The Manager, High Interest Accounts, AAB FREEPOST 16, London W1E 8FJ Please forward me details of the One Month Notice Account

Name
Address
Postcode
Telephone

Our branch situated at 131-132 Park Lane, London W1Y 3AD.

Eagle Star announce the perfect environment for your money.



There's never been a money making opportunity quite like this. For now's your chance to invest in an industry which looks set to expand faster than any other in the 1990s. The 'environmental products and services' industry.

Like all good ideas it is being overlooked. As people become more and more concerned about the environment, more companies are becoming more prosperous. They are companies in response to demand, are producing and selling products such as 'ozone friendly aerosols', biodegradable packaging or organic foods.

We've launched an Environmental Opportunities Trust to invest in companies which are taking a positive attitude towards environmental issues. It gives you the perfect opportunity to share in their success.

Successful investment. No less than 80% of the Trust will be invested in the UK and the balance in continental Europe. In both areas Eagle Star's investment experts have already had remarkable success. For example, £5,000

invested in Eagle Star's UK Growth Trust at its launch in October 1985 would now be worth £13,960\*. Over that period you would have also seen a very significant growth in unit values of all of Eagle Star's other UK and European Unit Trusts.

Of course, past performance is no guarantee of future success. It should also be appreciated that the prices of the units may well fall from their current level.

Why you should invest now. If you apply immediately there's a special introductory price of 50p per unit available only until June 30, 1989. Then prices can be expected to move with the market.

And to get you off to a flying start there's a valuable bonus of 10 extra units if you invest before 20th July 1989. Fill in and send the coupon now to make sure you don't miss out to be the first.

EAGLE STAR ALWAYS A GOOD IDEA.

Everything else you need to know. The objective is to invest for long term capital appreciation in companies which use a positive attitude to environmental issues and to share in their success. The offer price of units on application is 50p per unit. Any increase in the price of units will automatically be reinvested in the Trust on your behalf - increasing the unit price. The estimated annual yield is 1.75%.

APPLICATION FORM

To: Eagle Star Unit Managers Limited, (LC43) Freepost (KE 5106), Eagle Star House, Bath Road, Cheltenham, Glos GL53 3BR.

I/We wish to invest £... (minimum £1000) in the Eagle Star Environmental Opportunities Trust. A cheque made payable to Eagle Star Unit Managers is enclosed.

Signature
(Mr/Mrs/Miss/Ms or other title)
Forename(s) in full
Address

Postcode in full.

Units cannot be registered in the name of a minor but may be registered in the name of an adult and identified by the minor's initials. Please use this space to specify the initials you require.

If the holdings are to be in joint names, please give the full name and address of the other joint holders (maximum of three) on a separate sheet of paper and attach it to this application form.

Further application forms are available on request from Eagle Star Unit Managers at the address above.

Signature(s)
Date
(1 am/Wc art over 18 years of age)

NOT AVAILABLE TO RESIDENTS OF EIRE. FT/7/8

\*Offer to bid prices 7th October, 1985 to 31st May, 1989 (net income reinvested). Eagle Star Unit Managers are members of IMRO and LAUTRO.

















# SAVILLS

## FARMS & ESTATES



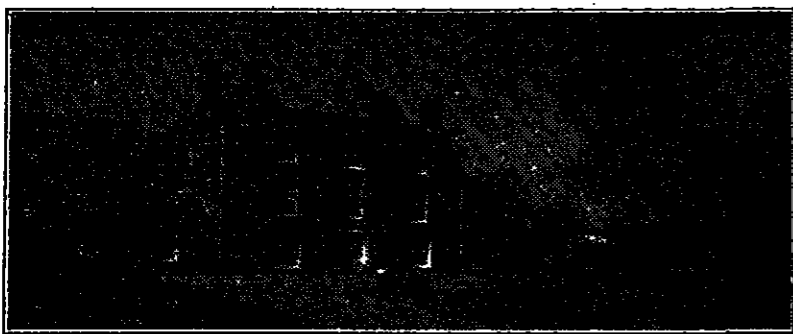
**OXFORDSHIRE** **1,300 ACRES**  
**The Pusey Estate**  
 A classic English landed estate of 1,300 acres in the heart of the Oxfordshire countryside.  
 A fine Georgian country house overlooking renowned formal gardens and ornamental lake.  
 A superb park with well managed woodlands.  
 7 houses and cottages in and around the village of Pusey.  
 Excellent arable and dairy farm with 2 farmhouses, 6 farm cottages and good buildings.  
 For sale by private treaty as a whole or in 2 lots.  
 Cluttons, London. Tel: 01-499 4155.  
 Cluttons, Oxford. Tel: (0865) 246611.  
 Savills, Banbury. Tel: (0295) 3535.  
 Savills, London. Tel: 01-499 8644.



**LINCOLNSHIRE WOLDS** **6,082 ACRES**  
**The Louth Estate**  
 An area of outstanding natural beauty.  
 6,082 acres in total.  
 1,023 acres vacant possession.  
 5,059 acres in 7 holdings.  
 Let and producing £246,560 per annum.  
 6 farmhouses and 32 cottages.  
 For sale by private treaty.  
 Prudential Property Services,  
 Huntingdon. Tel: (0480) 56171. Sleaford. Tel: (0529) 302946.  
 Cluttons, London.  
 Tel: 01-408 1010. Harrogate. Tel: (0423) 523423.  
 Savills, London.  
 Tel: 01-499 8644. Lincoln. Tel: (0522) 534691.  
 Contact: Christopher Smith.



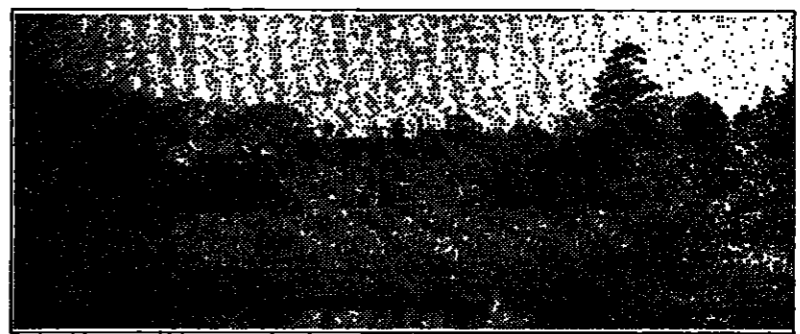
**NORFOLK** **4,900 ACRES**  
 Acre 2 miles, Norwich 10 miles.  
**The Cantley Estate**  
 One of the finest commercial farming estates in East Anglia.  
 4 large period farmhouses.  
 47 cottages.  
 Dairy, sheep and arable enterprises.  
 Substantial wildfowl and pheasant shoot.  
 Certain and potential developments.  
 Savills, Norwich. Tel: (0603) 612211.  
 Contact: Christopher Miles.  
 Savills, London. Tel: 01-499 8644.  
 Contact: Crispin Holborow.



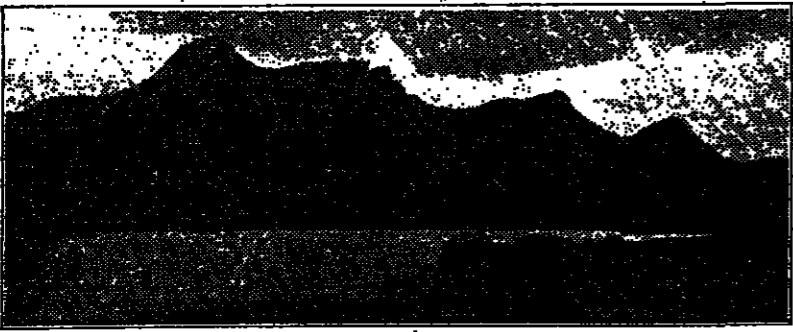
**NORFOLK** **1,444 ACRES**  
 Norwich 15 miles, Fakenham 9 miles.  
**The Guestwick Estate**  
 High quality farming estate with substantial Grade II listed farmhouse.  
 6 bedroom farmhouse. 4 cottages.  
 3,000 tonnes grain storage.  
 Barns with conversion potential.  
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.  
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.



**NORFOLK - Near Norwich** **805 ACRES**  
 Norwich City Centre 8 miles, London Liverpool Street Station 100 minutes.  
 An outstanding residential and commercial farm in attractive, unspoilt countryside.  
 Impressive period house in superb elevated position enjoying fine views.  
 3 cottages. Range of modern and traditional farm buildings.  
 Irrigated productive arable land, pasture and woods.  
 Large sugar beet contract. Potato quota available.  
 Good shoot.  
 Savills, Norwich. Tel: (0603) 612211.  
 Contact: Christopher Miles.



**STAFFORDSHIRE - Chartley** **812 ACRES**  
 Stafford 6 miles, Uttoxeter 6 miles.  
 An exceptional residential and sporting estate.  
 The Chartley Hall Estate - 812 acres of rolling countryside comprising:  
 A most impressive moated manor house with an ornamental lake set in beautiful parkland containing the remains of Chartley Castle.  
 Attractive farmhouse, 6 cottages, 3 ranges of excellent farm buildings.  
 Superb shoot, keeper's cottage.  
 For sale as a whole by private treaty.  
 Joint Agents:  
 Savills, London. Tel: 01-499 8644. Evans & Evans, Stafford. Tel: (0785) 42426.  
 Contact: Justin Marking or Katie Armytage.



**SUTHERLAND** **24,000 ACRES**  
 Near the North Coast  
 Tongue 8 miles, Inverness Airport 75 miles.  
 Ben Loyal Estate - a spectacular sporting estate with superb stalking amidst magnificent mountain scenery including Ben Loyal (2,504 feet).  
 Loch Loyal Lodge, 2 farmhouses and 4 cottages. Productive in-hand sheep farm.  
 Exciting stalking with exceptional stag weights.  
 Fishing on Loch Loyal, excellent rough shooting.  
 For sale as a whole with vacant possession.  
 Offers over £600,000.  
 Savills, Edinburgh. Tel: 031-226 6961.



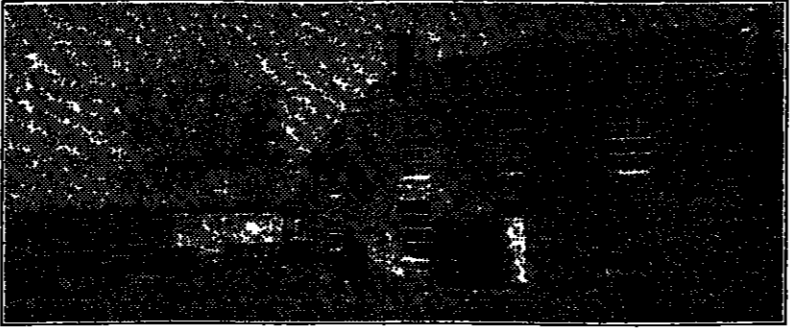
**SUFFOLK - Lidgate** **About 485 ACRES**  
 Newmarket 5 miles, London 1 hour, Bury St Edmunds 11 miles.  
 A fine residential farm, adjacent to one of Suffolk's most attractive villages.  
 Delightful 6 bedroom principal house.  
 Attractive farmhouse, currently comprising 2 semi-detached cottages.  
 2 ranges of modern and traditional farm buildings.  
 Grade 2 arable land.  
 As a whole or in 2 lots. For sale by private treaty.  
 Freehold with vacant possession (save for cottage occupancies).  
 Savills, Ipswich. Tel: (0473) 226191. Contact: David de Boinville.



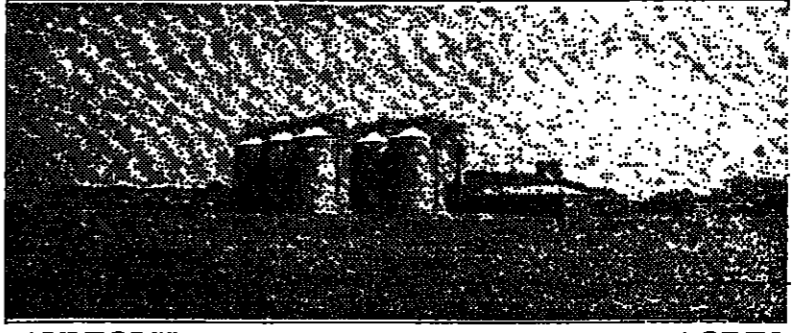
**NORFOLK** **1,200 ACRES**  
 East Rudham 1 mile, Fakenham 5 miles, Kings Lynn 14 miles.  
**The Coxford Abbey Estate**  
 North Norfolk sporting estate with attractive farmhouse and irrigated arable land.  
 5 bedroom period farmhouse.  
 6 cottages.  
 200 acres of woodland.  
 Alternative use potential.  
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.  
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.



**SUFFOLK - Stowmarket** **860 ACRES**  
 Ipswich 12 miles, Bury St Edmunds 14 miles, A45 3 miles, Stowmarket/London Liverpool Street Station 93 minutes.  
 A productive commercial and residential estate, set in unspoilt mid Suffolk countryside with excellent communications.  
 Period moated residence, centrally positioned with 4/5 reception rooms, 4 bedrooms, 2 bathrooms, 5 attic bedrooms, swimming pool. Attractive modern Lodge with 2 reception rooms and 4 bedrooms. Grade II period farmhouse with 2 reception rooms and 3 bedrooms, in need of repair. 2 pairs of cottages. Excellent versatile modern farm buildings including 1,800 tonnes grain storage and potato store. Extensively drained Grade 2 and 3 arable land. 25 acres soft fruit. Established PYO outlet.  
 For sale as a whole or in lots by private treaty.  
 Savills, Ipswich. Tel: (0473) 226191. Contact: Peter Sturt.



**WILTSHIRE - Yatesbury** **875 ACRES**  
 Calne 4 miles, Marlborough 10 miles, London 83 miles.  
 A fine commercial arable and stock farm with a large period farmhouse and comprehensive range of high quality modern farm buildings.  
 High proportion Grade 2 land.  
 2 good semi-detached 3 bedroom cottages.  
 Excellent 3 bedroom modern bungalow.  
 For sale by private treaty as a whole or in lots.  
 Savills, London. Tel: 01-499 8644.  
 Savills, Bath. Tel: (0225) 444622. Contact: Mark Crimes.  
 Savills, Salisbury. Tel: (0722) 20422. Contact: Nigel Foster.



**NORFOLK** **1,380 ACRES**  
 Swaffham 3 miles, Norwich 25 miles, Kings Lynn 14 miles.  
**The Sporle Estate**  
 A superb well rounded farming estate.  
 4 bedroom period farmhouse.  
 7 cottages.  
 Fertile, easy working land.  
 Fully automated grain storage system.  
 Over 50 acres of woodland. Small enjoyable shoot.  
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.  
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.

**01-499 8644** 20 Grosvenor Hill, London W1X 0HQ



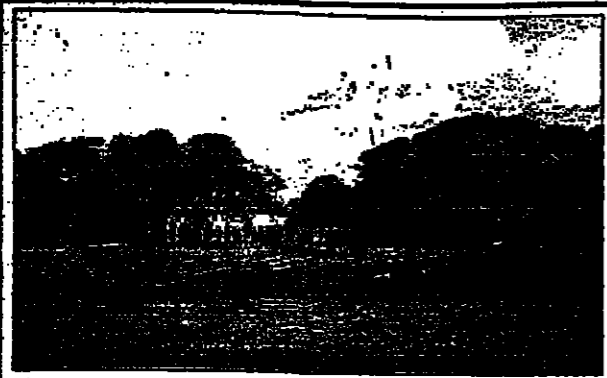
UK Offices

Ascot, Beaconsfield, Chipping Norton,  
Cirencester, Edinburgh, Glasgow,  
Guildford, Hereford, Hungerford, Leeds,  
Oxford, Sheffield, Sherborne, Shrewsbury,  
Stratford-upon-Avon, Tunbridge Wells.

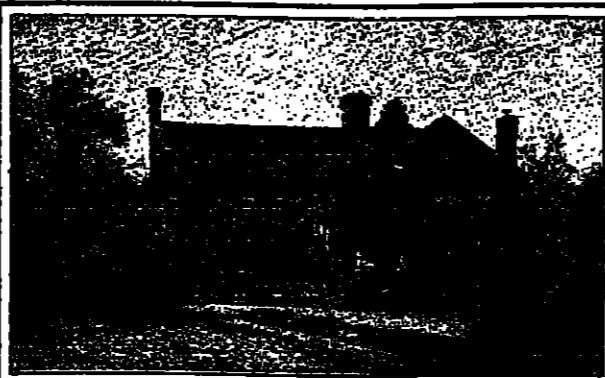
**Knight Frank & Rutley**

Overseas Offices

Australia, Belgium, Botswana,  
France, Hong Kong, Japan, Malaysia,  
New Zealand, Nigeria, Singapore,  
United States Of America,  
Zimbabwe.



**Ireland - Co Meath**  
Dublin 16 miles. Maynooth 6 miles.  
**A superb country estate and stud farm**  
A magnificent contemporary residence with views to the Wicklow Mountains.  
Remastered garden, tennis court, secondary house, groom's bungalow.  
50 loose horses in two yards, indoor school and covering yard.  
Sheltered raised paddocks over limestone.  
**About 264 acres**  
As a whole or in 3 lots.  
Joint Agents: Lacey & Son, 24 St Stephen's Green, Dublin 2 (01) 614222  
Christopher Stephenson International Ltd in association with  
Knight Frank & Rutley (0635) 528585



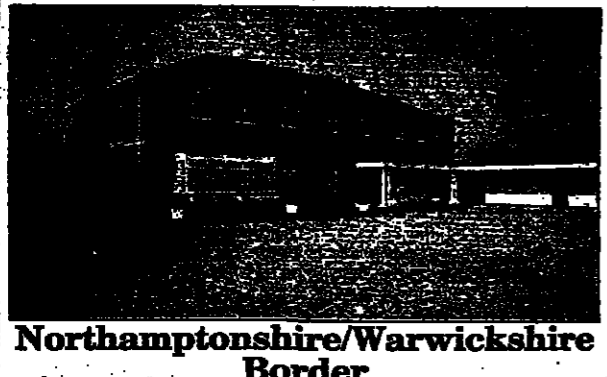
**Surrey**  
Leigh 1 mile. Reigate 4 miles. Central London 30 miles. M25 5 miles.  
**A beautiful residential dairy farm**  
Delightful period farmhouse, 3 further cottages.  
Outstanding commercial dairy farm with milk quota of 530,000 litres.  
**About 263 acres**  
As a whole or in lots.  
Joint Agents: Wallis Eggar, Farnham (0252) 716221  
Knight Frank & Rutley, Guildford (0483) 65171 or London 01-629 8171  
(AS/27/0025)



**Buckinghamshire**  
Oxford 10 miles. London 60 miles. M40 Junction 7 9 miles.  
**A listed manor in an outstanding setting with equestrian centre**  
4 reception rooms, snooker room, 4 bedrooms (potential for 11), 2 bathrooms.  
Cottage, garden, indoor school, 19 loose horses, farm buildings.  
Potential for leisure centre (subject to planning consent).  
**About 168 acres**  
In association with  
Apply: Knight Frank & Rutley Oxford (0865) 790077  
or London 01-629 8171  
Christopher Stephenson International Ltd (0635) 528585  
(SUL/RAM/24131)



**Perthshire**  
Perth 6 miles. Edinburgh Airport 34 miles.  
**An exceptional and historic agricultural and sporting estate lying in an outstanding location**  
Regency manor house with 5 reception rooms and 6 bedrooms.  
Historic castle and chapel visited by Mary, Queen of Scots.  
Compton farmhouse, 5 cottages and 2 cottage sites. Traditional standing with development opportunities. Trout loch and first class pleasure shoot.  
Hill ground providing fine sport. Grade II arable ground.  
**About 725 acres**  
As a whole or in 5 lots.  
Apply: Garden Haig Stirling & Burnet 031-225 6411  
Knight Frank & Rutley, Edinburgh 031-225 7135 (WYR/2402)



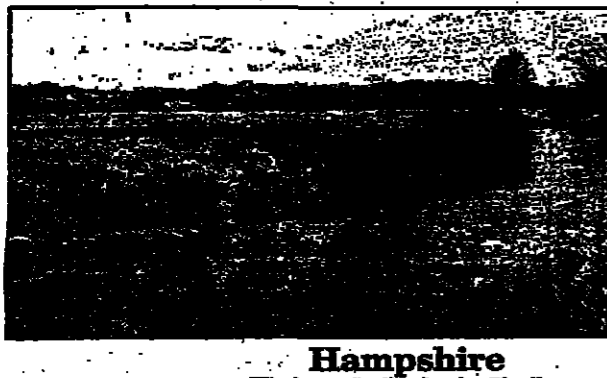
**Northamptonshire/Warwickshire Border**  
Berty, Rugby 4 miles. Coventry 15 miles. M1 Junction 15 4 miles.  
**An attractive modern house maintained to a high standard and conveniently situated**  
3 reception rooms, 5 bedrooms, 4 bathrooms, dressing room.  
Garaging for 4 cars. Stables, garden and paddocks.  
**About 27 1/2 acres**  
As a whole or in 2 lots.  
Apply: Stratford-upon-Avon (0789) 227726 or London 01-629 8171  
(AS/24/0027)



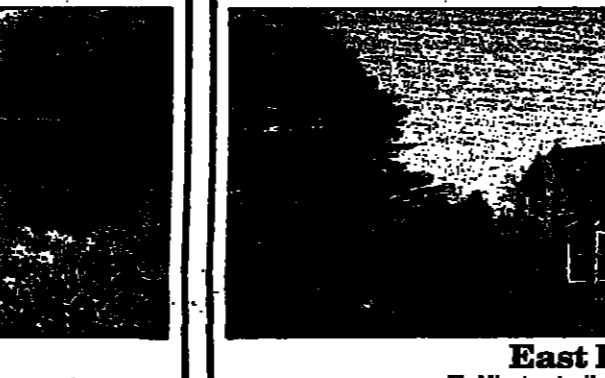
**Buckinghamshire**  
Chalfont St Giles 1 mile. London 21 miles. M40 Junction 2 4 miles.  
**A distinguished and beautifully maintained house set in magnificent grounds**  
4 reception rooms, study, 6 bedrooms, 2 dressing rooms, 5 bathrooms.  
3 cottages each with 2 reception rooms and 3 bedrooms. Stabling. Garaging.  
Heated swimming pool and pool house. Formal garden, 3 paddocks.  
**About 11 acres**  
Apply: Beaconsfield (0494) 670368  
or London 01-629 8171  
(AS/24/0027)



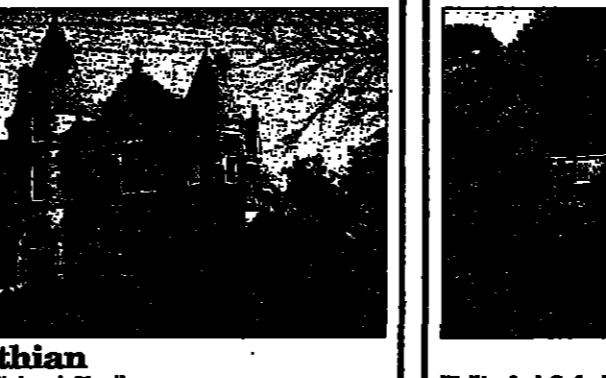
**Kent/Sussex Border**  
Langton Green, Tunbridge Wells 2 1/2 miles. London 39 miles.  
Canterbury Airport 22 miles. East Grinstead 1 1/2 miles.  
**A Grade II listed Regency house standing in beautiful mature gardens**  
Hall, 4 reception rooms, study, playroom and cellar.  
Master bedroom suite with 2 dressing rooms, 2 further bedroom suites, 4 further bedrooms and 1 further bathroom. Gas fired central heating.  
Self contained staff annexe. Coachhouse with garaging and stores, 3 stables.  
3 further garages. Stable and greenhouses. Nuclear air raid shelter.  
Beautiful mature gardens and paddocks.  
**About 19 acres**  
Further land and cottages available by separate negotiation.  
Apply: Tunbridge Wells (0892) 615035 or London 01-629 8171  
(AS/10/0028)



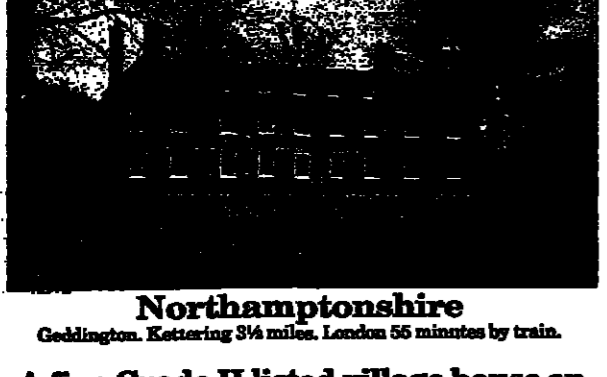
**Hampshire**  
Winchester 5 miles. London 70 miles.  
**1 1/2 miles of double bank fishing on the River Itchen, one of the world's finest chalk rivers**  
Lodge with 4 bedrooms. Extensive garden and woodland.  
**About 15 acres**  
For sale by auction on 22nd June 1989 (unless previously sold)  
Apply: London 01-629 8171  
(SRO/22/89)



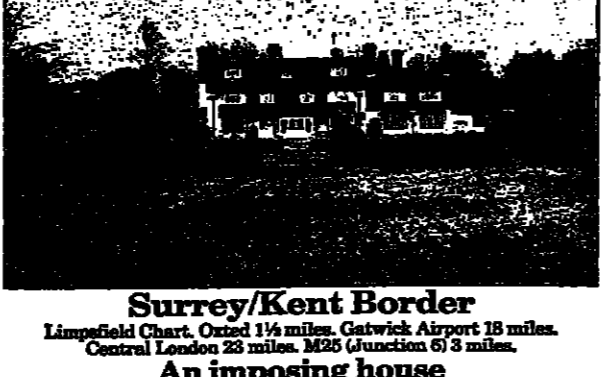
**East Lothian**  
Haddington 4 miles. Edinburgh 21 miles.  
**A magnificent Victorian mansion house in an outstanding location close to Edinburgh**  
4 reception rooms, 6 bedrooms, 3 bathrooms. Fine policies, lawns and paddock.  
**About 10 1/2 acres**  
Offers over £400,000  
Apply: Edinburgh 031-225 7106  
(SRO/22/89)



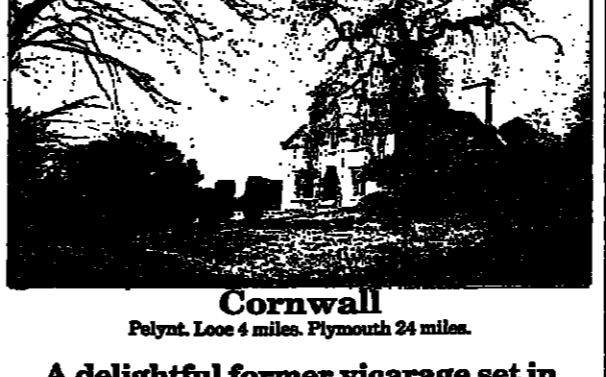
**Oxfordshire**  
Wallingford, Oxford 10 miles. Reading 14 miles. Didcot 6 miles. Between M4 and M40 motorways.  
**An attractive Grade II listed house on the banks of the River Thames**  
3 reception rooms, 6 bedrooms, 2 bathrooms, shower room. Indoor swimming pool complex.  
Guest annexe, staff wing, cottage. About 6500 river frontage with boat house.  
Orchard, paddock, hard tennis court. Extensive gardens and grounds.  
**About 7 acres**  
Joint Agents: Adkin, Wallingford (0491) 36999  
Knight Frank & Rutley, Oxford (0865) 790077 or London 01-629 8171  
(SUL/NA/2307)



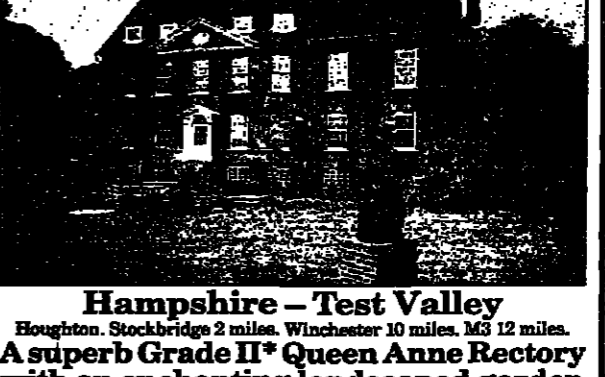
**Northamptonshire**  
Geddington, Kettering 3 1/2 miles. London 55 minutes by train.  
**A fine Grade II listed village house on the River Ise**  
Reception hall, drawing room, morning room, study, dining room, 5 main bedrooms and 3 secondary bedrooms, bathrooms, 3 further rooms.  
Cellars. Garaging for 3 cars. Outbuildings. Mature gardens and grounds.  
**About 2 acres**  
Apply: London 01-629 8171  
(SUL/23/89)



**Surrey/Kent Border**  
Limesfield Court, Otford 1 1/2 miles. Gatwick Airport 18 miles.  
Central London 28 miles. M25 Junction 6 3 miles.  
**An imposing house standing in beautiful gardens with outstanding views**  
3 reception rooms, master bedroom suite with dressing room, 6 further bedrooms and 2 further bathrooms, staff flat. Fully modernised 4 bedroom cottage.  
Beautiful mature gardens with extensive garaging and outbuildings.  
**About 6 acres**  
Apply: Tunbridge Wells (0892) 615036 or London 01-629 8171  
(AS/23/0025)



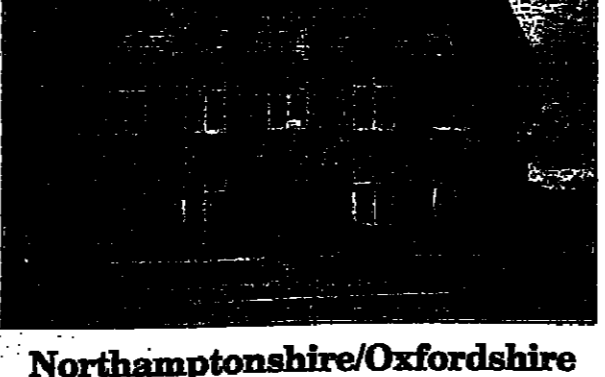
**Cornwall**  
Polyn, Looe 4 miles. Plymouth 24 miles.  
**A delightful former vicarage set in magnificent gardens and grounds**  
3 reception rooms, 6 bedrooms, 3 bathrooms.  
Range of stone buildings including garaging. Formal gardens and woodland.  
**About 3 acres**  
Apply: Sherborne (0636) 812236 or London 01-629 8171  
(AS/23/0025)



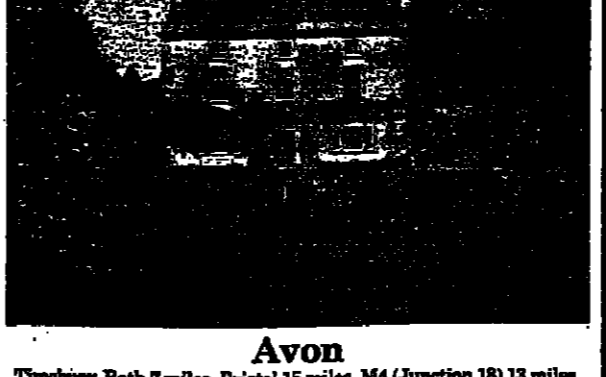
**Hampshire - Test Valley**  
Houghton, Stockbridge 2 miles. Winchester 10 miles. M3 12 miles.  
**A superb Grade II\* Queen Anne Rectory with an enchanting landscaped garden**  
The house has been modernised to a high standard and has fine views over the River Test.  
4 reception rooms, 6 1/2 bedrooms, dressing room, 6 bathrooms.  
2 bedrooms flat and secondary accommodation. Stabling. Garaging.  
Swimming pool complex with pool house. Beautifully laid out gardens, 2 paddocks.  
**About 6 acres**  
Joint Agents: Strutt & Parker, Salisbury (0722) 28741 and London 01-629 7282  
Knight Frank & Rutley, London 01-629 8171 (AS/23/0025)



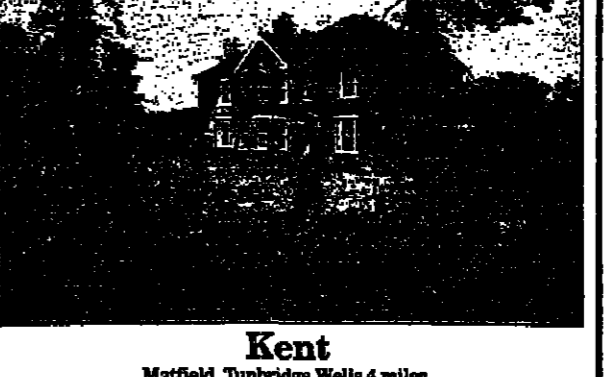
**Shropshire/Herefordshire Border**  
Kilgerton 5 miles. Ludlow 12 miles. Leominster 14 miles.  
**A delightful 18th century listed thatched cottage in an attractive village**  
3 reception rooms, 2 bedrooms, bathroom.  
Solid fire central heating. Garden. Double garage.  
**Offers in excess of £150,000**  
Apply: Hereford (0432) 273087  
(SUL/23/0011)



**Northamptonshire/Oxfordshire Border**  
Bambury 6 miles. Proposed M40 extension 5 miles.  
**A charming listed Queen Anne family house in a conservation village**  
Hall, drawing room, sitting room, dining room, 6 bedrooms, 2 bathrooms.  
Oil fired central heating.  
**Offers in excess of £200,000**  
Apply: Oxford (0865) 790077  
(SUL/23/89)



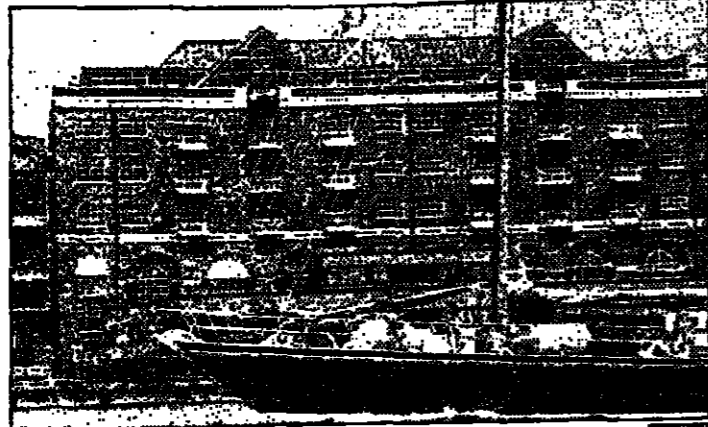
**Avon**  
Thamesbury, Bath 7 miles. Bristol 15 miles. M4 Junction 18 13 miles.  
**A fine Georgian village house listed Grade II**  
4 reception rooms, 8 bedrooms, 3 bathrooms, playroom. Large cellar.  
Oil fired central heating. Coach house suitable for conversion (subject to consent).  
Enclosed garden.  
**About 1 acre**  
Apply: Cirencester (0285) 659771 or London 01-629 8171  
(SUL/23/0024)



**Kent**  
Matfield, Tunbridge Wells 4 miles.  
**An imposing Victorian country house on the edge of the village**  
4 reception rooms, 5 bedrooms, 2 bathrooms.  
Small coach house. Gardens.  
**About 1 acre**  
Apply: Tunbridge Wells (0892) 615036  
(SUL/23/0024)

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THE BEST VIEW FROM ANY CITY INVESTMENT, A PRESIDENT'S QUAY APARTMENT.



PRIME RIVERSIDE POSITION.



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Close to the City, right by Tower Bridge at St. Katharine's Dock, President's Quay offers world-class style apartments overlooking the river and Tower Bridge itself.

Standard, fitted wardrobes, storage space and kitchens and bathrooms containing every possible luxury.

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A superb development of 4 architecturally designed Town houses set in original surroundings while enjoying easy access to the City and the West End.

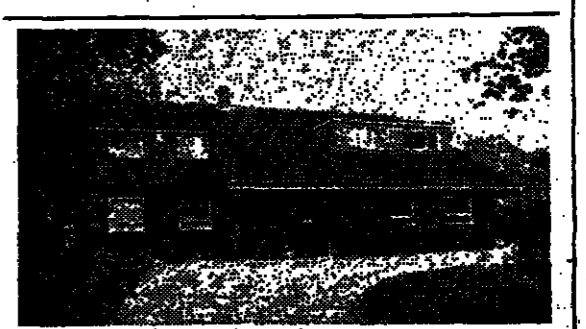
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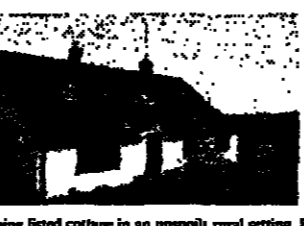
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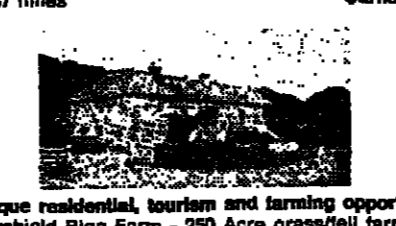
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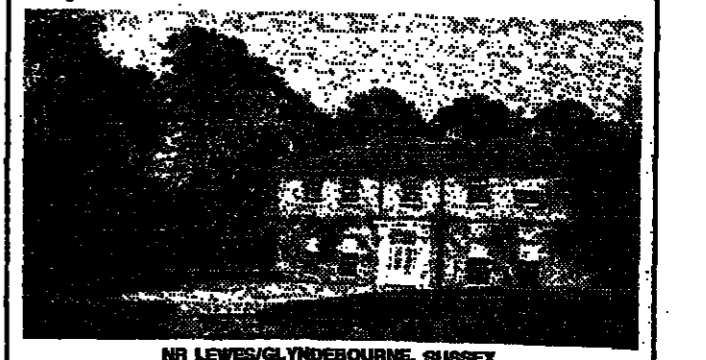
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TRAVEL

# Where the bones are biting

Michael Wigan fishes off Christmas Island, a Pacific atoll with a colourful history

"PLENTRY OF bones," growled Tyrone, bending and pointing ahead, "big bones."  
**T**HE BONES he was referring to were the very reverse of ossification: they were bonefish, saltwater tropical beauties that in a few select places come into the flats on the tide. Perhaps pined for long they are the hardest fighting fish in the world. A bonefish of 2 lbs will take your line and back out to 100 yards on its first run, while you hold your rod high to avoid snags. Bigger "bones" race off for the nearest bit of reef or rock before plunging down beyond the reef-face.

This is how bonefishing is carried on from the Captain Cook Hotel on Christmas Island, in the middle of the Pacific. Cook landed on the unpopulated, 248-square-mile coral atoll on Christmas Eve 1777. Since then it has entered history with colourful tales as the home of whalers, shark fishers and guano gatherers. In the Second World War it became a naval base and, in the 1960s, a nuclear testing site.

haven beyond equal, its small area of firm ground hosting 17m nesting seabirds from the surrounding ocean. Frigate birds home in on the solitary bonefisher crouched here-like in his lagoon. One tried three times to abscond with my rod. Boobies, even tamer, hang motionless within arm's reach, scrutinising this strange life-form which is stalking their territory. The fairy tern, pure white, dances in the heat haze.

One of the bonefishing beats is the strip of water which flows over the coral reef as the waves break and runs up to the beach. Here large green parrot fish flush down the channels with the breaking wave and rush back out as it recedes. Blacktip reef sharks, sizeable ones, cruise remorselessly, circumnavigating your feet with a swish of the tail. Shells of variegated tropical fish are piled high with seaweed and the branching arms of bleached coral.

black shapes, their wings with white undersides curling above the water as they undulate past. Turtles paddle serenely; there are eels; and there are comical blowfish that can inflate into a balloon and go rolling over and over its melancholy eyes wide. Out in the channels are trevally, phenomenally powerful and voracious high-backed gametfish, growing to 100 lbs or thereabouts, and fiercer on the take than any fish size for size.

covered with tidal water; around them are deep trenches of blue. It is an odd feeling to be motored out on a punt and deposited, like a castaway, on one of these small tables of rock, the palm-tree fringe of the lagoon no closer than two miles in any direction, the water rising, and far away in the narrow lagoon-mouth white breakers splintering with huge force.

They wear special non-smell suntan-oil in case of tainting the fly. They are so involved in the voodoo of fishing that they change the colour of their shirt to better their fortune, or turn their hat-brim round. By evening-time there is a faraway look in their eyes.

Allegedly, Christmas Island is the mecca of bonefishers. Certainly the bones are abundant. Decisively, however, the environment and location are superb. Other bonefish venues - Mexico, the Bahamas - are no longer noted for their civility. On Christmas the atmosphere is excellent. Each day you go to new places to fish. At night you slump on your bed as the rolling breakers provide a soporific background thunder, pierced with the cries of terns and noddies. You dream of the fish, silently going about their affairs in the mysterious underworld from which the bonefish is only a wild emissary.

# LOVE IS LIEF in the Hunza

Tom Ashton makes a perilous journey in the subcontinent

**O**RIENTAL PHILOSOPHY is perhaps the best means of surviving a 16-hour bus ride along the hairpin bends, rock falls and sheer drops of the Karakoram Highway. Embarking from Rawalpindi bus station for the Hunza Valley in the heart of the Karakoram, I found a bus revving up which promised its passengers inner peace. "LIEF IS A JOURNEY," said the number plate.

Gilgit gave me the chance to meet many of the driver's friends scattered around the valley, for we dropped in for innumerable cups of tea en route to the Hunza village of Chalk.

Peak and the icefalls of Rakaposhi, the glacier dropping away at an alarming angle beneath us, dark grey due to the minerals in Hunza's water. The locals swear by the health-giving properties of their sludge-coloured water and say that this, together with their diet, accounts for their longevity. Ixch flesh is said to cure all kinds of disease, while the kernel of apricots - Hunza has more than 20 kinds - is said to prevent cancer.

On the morning of my departure from Hunza I was woken by the dawn call of the mullahs to prayer. Echoing amid the massive peaks as the sun caught the ice and snow, their call moved me and I resolved to return.

The sun shone, reflected in wonderful sheets of silver off the glacial stream running down the valley, and peaks soared on either side. As the view of Mount Rakaposhi, the "crown jewel of Hunza," opened out, I felt that surge of excitement that only the sight of huge peaks can bring on.

water runs from glaciers to irrigate the valley's orchards. In summer, but in winter they are dry. The ledge is cut into the cliff face by hand. Colonel R.C.F. Schomberg, a British visitor to Hunza in the days of Empire, described walking along these channels as the fish work. It is comforting to clutch the rock and forget the sheer abyss below.

Balitt fort above Karimabad, with its dominating view over the valley, gives you an idea of how the geography of the Hunza Valley enabled the Hunzakuts to raid surrounding valleys, often kidnapping their neighbours without fear of retribution. Protected by huge peaks to east and west and rugged narrow passes to north and south, they needed only a small force of men to resist invaders.

On the morning of my departure from Hunza I was woken by the dawn call of the mullahs to prayer. Echoing amid the massive peaks as the sun caught the ice and snow, their call moved me and I resolved to return.

# Trek into history and isolation

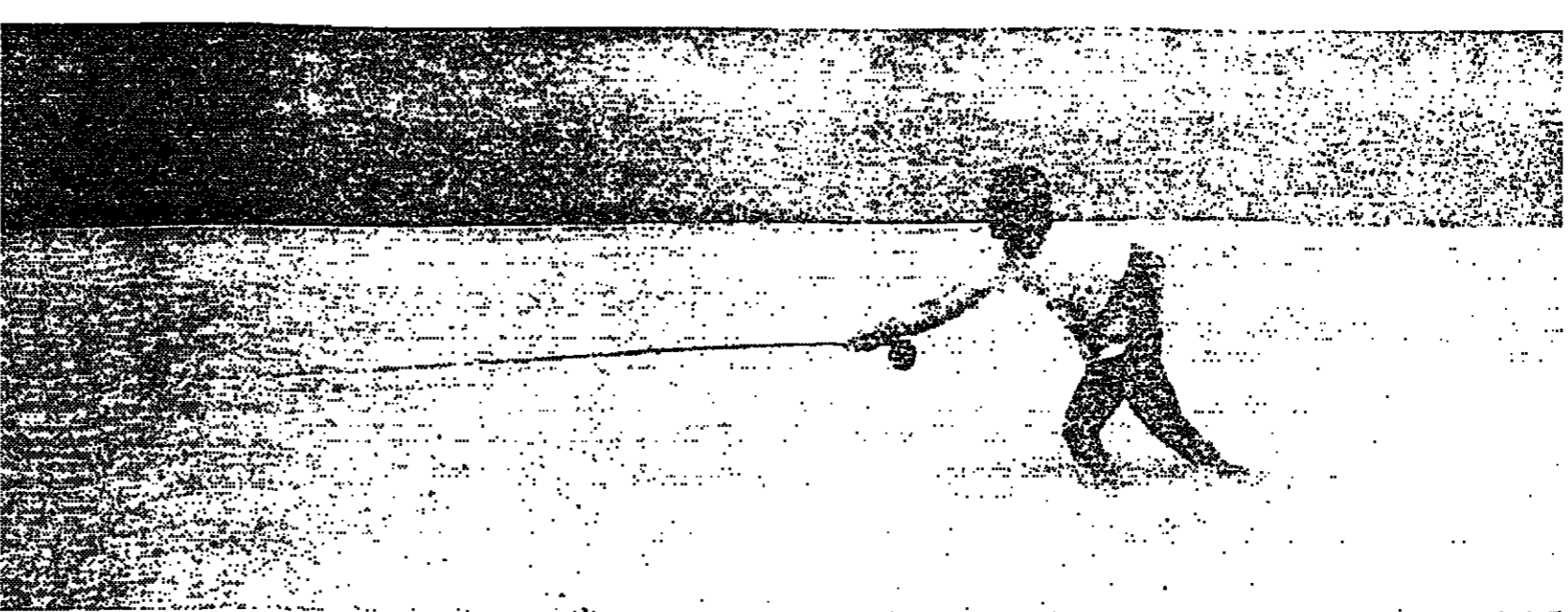
**N**O TWO people agree on the best time to visit Hunza - spring with its pastel blossoms, summer when the valley turns lush and green and the river becomes a torrent, or autumn with its hues of burnished gold.

ruled by the same family of Mirs who ran everything from the legal system to the postal service, and frowned on people leaving the valley. The locals had such faith in their Mir that they believed he could produce rain by dunking an unsuspecting mullah in water for a few hours. Even after the area came under Pakistan's control in 1974, the Mir retained his importance, still receiving a state purse and flying the Hunza flag from his car. The present Mir is less popular for spending much of his time in Islamabad and marrying an outsider from Lahore.

Numerous treks into the mountains are available, ranging from mild climbs to strenuous hikes to K2's basecamp.

Information: There are flights from Rawalpindi to Gilgit every morning, depending on the weather. Gilgit Hunza Tourist House, Rs 300 per double room with hot water and great food. For more luxury, Gilgit Serena Lodge, Rs 900. Karimabad, Hilltop View Hotel: as the name suggests, unbeatable views. Rs 180 per double. Jeeps are easily available for Rs 1,000 per day. Minibuses ply between Gilgit and Hunza.

Christina Lamb



Above: 'Gone fishin'. Below: The catch, a gleaming bonefish

For 960 years they were

Information: Among operators, Abercrombie & Kent Travel has a specialised fishing brochure offering holidays on Christmas Island as well as other exotic locations such as Alaska, Mauritius, the Great Barrier Reef, etc. Details: Tel: 01-730-7755.

For 960 years they were

They wear special non-smell suntan-oil in case of tainting the fly. They are so involved in the voodoo of fishing that they change the colour of their shirt to better their fortune, or turn their hat-brim round. By evening-time there is a faraway look in their eyes.

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MOTURING

Bruised, but happy

THIS YEAR, FT writer John Griffiths returned to motor racing after a 13-year gap...

afford it until after they had established business careers. Griffiths, competing in the MG Car Club's 'BCV's'...

March 4, Goodwood: We arrive for practice apprehensive, in pouring rain...

mistic as Nigel Lawson's trade deficit forecasts, a comfit myself with having at last bought a good trailer...

Accelerating, the car slides overwheels. In full race, the MGBs are in Ferrari territory...

April 16/17, Cadwell Park: Why must my first race be in a circuit where my previous race 'career' ended...

Yet such is the camaraderie of the BCV's group, that Peter Spooner, a partner in City surveyors Edward Erdman...

We barbecue in the grass paddock of this most known track, the circuit where my previous race 'career' ended...

March 18, Brands Hatch: Whoever built the gearbox had missed out two circlips...

April 23, Donington Park: It was dry when I left Ascot at dawn. Now, in the paddock...

Now, in the paddock, the B passes scrutiny tyres, roll cage and crash helmet are all scrupulously checked...

May 7, Castle Combe: Practice starts me sixth on the grid at this fast, ill-surfaced Wiltshire circuit...

March 22: Tony strips the engine to find worn bearings fitted. Contemplating a £1,700 rebuild...

May 20, Spa: The season's high spot: the Jaguar V8 challenge, involving nearly 70 drivers...

Money worries loom larger. My budget is looking as optimistic as Nigel Lawson's trade deficit forecasts...

May 20, Spa: The season's high spot: the Jaguar V8 challenge, involving nearly 70 drivers...



Peter Franklin and Tony Price of T and L Autos survey what might be salvaged from the wreckage of a racing car...

sheer speed; the satisfaction of controlling the car; the channelled aggression of all competition...

The sun beats down hard as we start practice, and what a superb sight some of the Jaguars are: D and C Types, originals and replicas...

On the sixth lap, with the 'B' 20th fastest and quicker than all but eight of the 30 Jaguars...

And this is another side to the coin - one recognised, by my wife, Peggy, who has encouraged, and still does not oppose, this return to racing...

Under strict instructions from championship president Barry Sidersy-Smith to stay out of trouble because of next week's 'international' in Belgium...

For so many of the competitors, businessmen used to the social fencing of the lunch and cocktail circuit, there is tonic in the gullest paddock parties...

There is the exhilaration of everyone else seems humblingly faster. My 13th place on the grid is rendered irrelevant...

But at this stage, contemplating surviving assets which comprise one engine, one gearbox, one steering wheel...

Car for ego trippers

Stuart Marshall drives a Vicarage Jaguar

WHAT PRICE excitement? In the case of the Vicarage Jaguar, £50,000. This buys you an almost 30-year-old car...

steering, with power assistance, compared quite well with that of modern cars. But the lock was poor and the turning circle embarrassingly wide.

the torque converter is constantly slipping. Why buy one? Mainly for ego tripping, I suppose.

To build a new car immediately, when racing has already swallowed more family funds than envisaged...

I found the seats and the driving position very good indeed, with lovely Connolly leather trim and quite a reasonable amount of space up front.

Is a Vicarage Jaguar an investment? The company's chairman, Anthony Parkinson, says that of the 57 made so far, only three have changed hands.

It looked elegant and rode quite remarkably well, confirming that Jaguar were so far ahead of the field in road noise suppression that only cars such as Rolls-Royce and Peugeot came within striking distance of them.

By modern standards, the fuel consumption is heavy - an estimated 15 to 16 mpg (18.8 to 17.6 litre/100km) if you exploit the still-muscular performance. It is easy to see why there are carburetors instead of fuel injection...

I doubt this matters much to those who buy them. What they seek is the nostalgic thrill of stepping back into the past, without having to worry about the uncertainties of driving most aged cars.

We have both come to recognise that plunging obsessively into gardening, interior decorating, sailing, even gliding, have been displacement activities offering ever-diminishing returns.

There are carburetors instead of fuel injection; no electronic engine management system; and the three-speed automatic transmission has no lock-up so

Details from Vicarage: 01-730-3764 or 0746-760031.



The Vicarage Jaguar Mark II 3.8-litre. A classic car satisfying a craving for nostalgia

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CLASSIC CARS

CLASSIC CARS. Austin Healey 100A 1955, 1957, 1959. 1958 Buick Wildcat, 1959 Ford Mustang.

CLASSIC CARS

E TYPE ROADSTER. 42 SH 1969. British racing green. Tan interior and hood.

MERCEDES BENZ

MERCEDES BENZ. SAAB AUTHORIZED DEALERS. Lists various Mercedes and Saab models.

Chess

THE WATSON, FARLEY & Williams International is among a few major tournaments where the sponsor - in this case, a leading firm of City solicitors - provides the venue as well as financial backing.

Chess

title semi-finalist, is among the legends of chess and late in the 1960s was the most successful tournament player of his time.

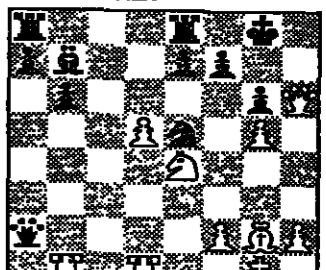
Bridge

BOTH HANDS today are concerned with finesse. The average declarer is always happy to stake his contract on a 50 per cent chance, but the expert examines the position and decides which finesse is essential and which is to be avoided.

Bridge

This force of control - South rebid three hearts and North raised to four. South now said five no-trumps, the grand slam force.

PROBLEM No. 777



WHITE TO MOVE. Svedchikov v. Estrin, Moscow 1977. White to play; can he make a move which forces an early resignation?

Leonard Barden

Now the declarer could see, despite the holding of 11 trumps, that the finesse was obligatory. He led the queen, East played the six, and a low card was played from hand.

E. P. C. Cotter

DIVERSIONS

Guerrilla warfare leaves few in the zoo

Despatches: Christina Lamb reports from besieged Kabul on the stalemate in Afghanistan

KABUL ZOO has a problem. No-one will give it any animals. In fact, it may be the world's only zoo with more dead animals than live ones.

While pelicans apparently thrive on war, Habibullah says that the fighting has had an adverse psychological effect on the other animals.



Mujaheddin fighters advance on Jalalabad

les of reality. All the animals that die are stuffed and installed in the zoo's museum, which now has more exhibits than the zoo.

stagnant pools, dead flowers and fountains which long ago ran dry, the zoo attracts many visitors as it is one of the few places in which people can legitimately loiter without

being moved on by army personnel. However, lurking behind the yak sleds are the secret police, instantly recognisable by their similarity to KGB agents in low-budget "B"

movies. Despite the desolate appearance of its zoo, Kabul does not have the atmosphere of a city under siege.

din prime military target, a new terminal is being built. At Kabul hotels colourful and noisy weddings take place every afternoon. Bright yellow taxis ply up and down, only their prices reflecting the shortage of fuel.

Only the large presence of uniforms, the dull boom of Soviet missiles five times daily and the constant buzz of planes overhead - the air bridge from the Soviet Union that is Kabul's lifeline and the jets off to bomb Jalalabad - are reminders that this is really the city from which most western embassy staff fled in February, predicting chaos after the Soviet troops had left.

For the aid workers and diplomats who stayed on, trying desperately not to get stuck in the town they call "Kabulistan," the main clue to the fighting outside is that Kabul itself is shrinking. The area in which people are allowed to

travel is now just 12 sq km. Adding an Orwellian touch to this prison-like existence is the music and commentary blaring from loudspeakers across the city, from 5am to the 10pm curfew.

IN THE 35 years between 1785 and 1830 a large number of books were printed giving advice on the education and conduct of ladies.



Drawing mainly on the British Library, and in catalogues of my own collection, I have noted 119 separate editions in Britain or Dublin with others on either side.

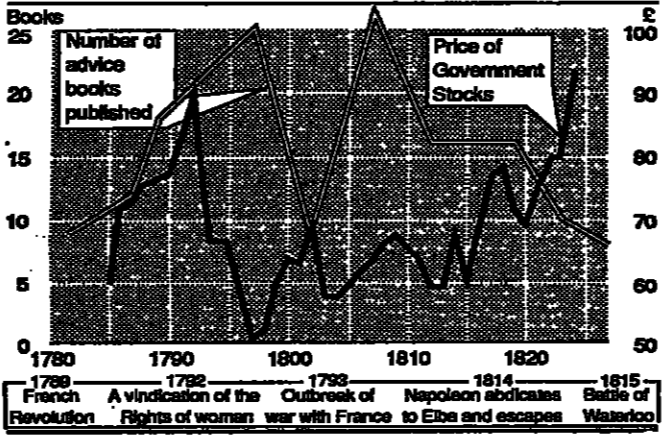
Bibliography Advice on ladies' conduct

ful. Here, as elsewhere, unequal gender roles are both accepted and reinforced. Whereas men under emotional strain can throw themselves into business, games, and outdoor sports - even drink and other women

In cultural terms the books reflect the views of groups who feel that their society's values are threatened. They long for the old days when order reigned, when the agricultural economy was matched by a religious moral economy, and mutual respect marked relations between the privileged and their subordinates.

some of the books published which it must have seemed that the battle was being lost, a note of panic can be heard among increasing bitterness. Of the 16 authors, 11 were women and four were clergymen.

With many husbands and brothers away in the armed forces, they were the guardians of the home front. It is not surprising that the views of opponents were seldom printed. Mary Wollstonecraft was unusual in being able to publish. However, contrary views were evidently often heard even if they were not written down.



events which might have been expected from the way in which the problem of women was perceived. For example the biggest rush comes after 1793 with the outbreak of war, the Terror in France, the treason trials, and the anti-Jacobin panic.



these books grew up to be the Victorian ladies whose commitment to traditional female values and gender roles was genuine, strong, and scarcely challenged.

Gardening Nice pots, pity about the plants

But we can learn from looking around, says Robin Lane Fox

THERE ARE terra cotta pots, designer pots, pots made from fibre glass and pots which blow over in high winds.



spilling them on a fork in winter or losing them in the confusion. Those of us who do not live on acid soil have no alternative if they want to grow the spotted Japanese speciosum lilies, which make such magnificent pot plants.

Garden gates are a good source of half-hardy potting plants over the next few weeks: good gates may offer a plant labelled mimulus Ghintinosus. If so, buy it on trust. It is rather dark green in leaf but throws up bright orange flowers in a cheerful way throughout the summer.

They also gave me the idea of pots of deep purple cherry pie, or heliotrope, and separate plantings of dark violet-purple petunias. Single colour potting is often bolder than a multi-coloured one.

The botanist who found paradise

Arthur Hellyer reads a definitive account of plant-hunting in China

I HAVE become so accustomed to friends returning from China and telling me about the wonderful scenery, gardens and plants they have seen that it is a surprise to be reminded that it is barely 10 years since such travel stories became possible.

It is tragic that, at the very time when the best book is published on recent plant-hunting in China, the possibility of further travel is once again under threat. Roy Lancaster Travels in China - with the subtitle A Botanist's Paradise - reveals a great deal about the purpose of this book but gives little idea of its size and importance.



rich but little-known meadows to the east, south and west of the mountain range for which Lancaster and his party were heading and their itinerary had been planned by the Chinese Mountaineering Association. Some of its members accompanied them.

I think that this potting and staking is a very good way for us to keep lilies alive without

plant-hunting in China became

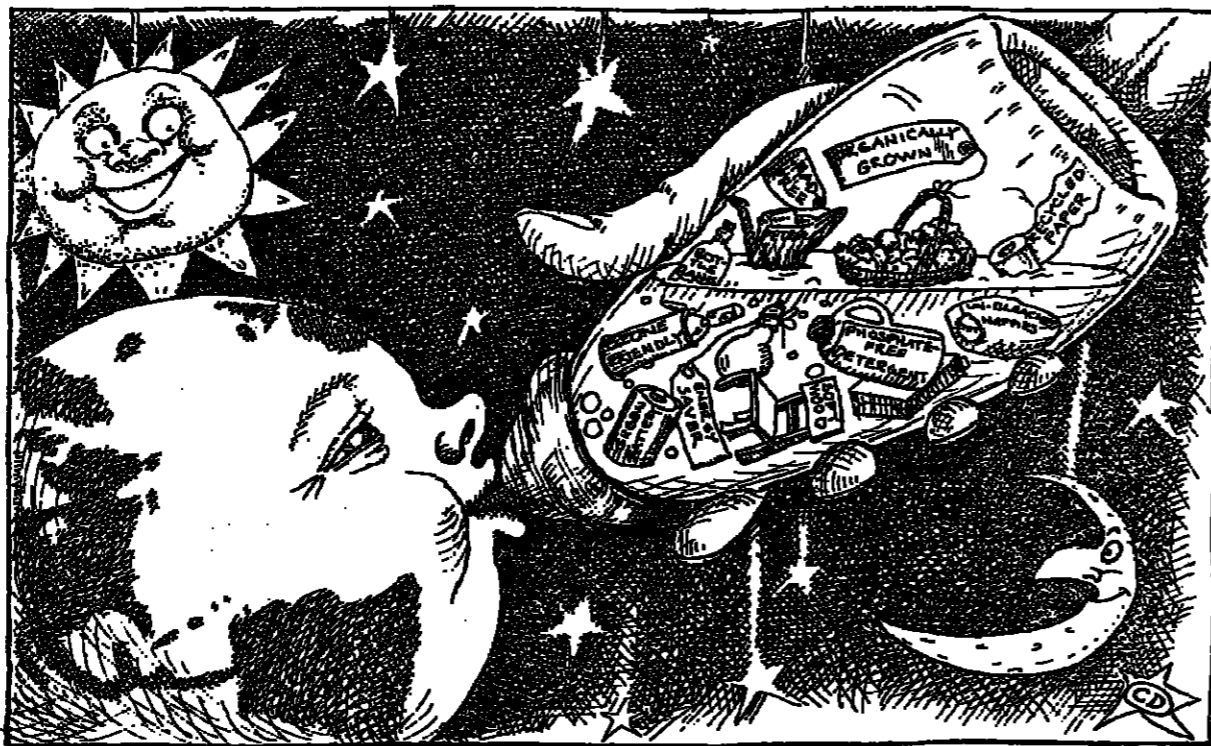
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DIVERSIONS

THERE CAN surely be nobody left who needs telling that unless we change the way we live, the world as we know it is doomed. It isn't just tropical forests and elephants that are under threat - we have all become endangered species. Gradually the rivers, the seas, the air we breathe, the earth and the vegetation have become poisoned, polluted, depleted. Unless we change our ways, we and the world are as doomed as the dinosaur. This isn't the kind of news that many of us want to hear. The Friends of the Earth and Greenpeace movements, for example, have been issuing warnings for years but until recently were mostly regarded as well-meaning but slightly eccentric alarmists. Now we all know that the danger is for real and something has got to be done.



The cost of going green

How To Spend It this weeks looks at how you, the consumer, can help save the world through the power of your purse

Buying green, though, does mean a considerable change in the way we think. We will have to learn a lot more about the subject so that we can distinguish between products that genuinely are "benign" and those that simply claim to be green. The green vocabulary is blossoming. We are surrounded by ozone-friendly this and environment-friendly that, so we need to be alert to know which of the claims are true. Using an official and reliable environmental labelling system is introduced we are faced with a mass of products which claim to be green, so keep your scepticism intact and if in doubt, ASK.

Routledge), is a round-up of opportunities that exist for businesses under pressure to go green. It proves that you can pursue profits without destroying the Earth.

board used in packaging. Save old paper and organise collection from Friends of the Earth, the council or Scout groups. Take old clothes to Oxfam.

Supermarkets: The greening of the supermarket shelves seems to have happened almost overnight, and this is where the way you choose to spend your money will really count.

Recycling: The heart of the green message is that we must consume less. We have to learn to be less greedy. Waste is one of the great enemies and one of the things that is made use of some of the Earth's resources, so conserving those things that have already been made and then re-cycling and re-using them is one of the biggest contributions you can make.

Wood: Britain is one of the largest consumers of tropical hardwoods and thus a major contributor to the destruction of the rain forests. Do not buy furniture, windowframes, DIY planks or any other wood products made from hardwoods like teak, iroko or mahogany, which come from tropical rain forests. The eco-word to look out for here is "sustainable" - wood from "sustainable" sources means that the trees can be replanted as fast as they are felled, so these woods are OK.

Batteries: Look for batteries free from mercury and cadmium. There are now lots of names to look for - Varta, Eveready, Phillips, Panasonic.

Household equipment: All so-called "white goods" are normally huge consumers of energy, but these days there are ranges of energy-efficient appliances which cut the energy consumption enormously.

Information: Becoming better informed is essential. The Friends of the Earth, 26-28 Underwood Street, London N1 7JQ (tel 01 490-1555) has masses of leaflets on all environmental issues and also runs a nationwide newspaper collection scheme and supplies economy envelope labels.

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London W10 5NB always has a good selection at low prices.

Energy: Use as little energy as possible. Insulate your house properly, turn off lights when not using them, don't use more heat or air-conditioning than you need. Ask for energy-efficient products; for instance there are now light bulbs, like Thorn EMIS 2D light bulb and the Totan Dulux EL, which use 80 per cent less energy than conventional models.

Aerosols: Most manufacturers were alerted to about the harm done when the forests of the humid tropics are cleared, about the fate of rare species of animals, about the loss of as yet undiscovered medicinal plants that might bear the cure for cancer. The growth of forest trees, they say, even removes the greenhouse gases from the air and could stop the world overheating.

Household cleaning agents: Look for soap powders, liquid detergents, washing-up liquids, window and lavatory cleaners that are free from nitrates, phosphates, optical brighteners, enzymes, formaldehyde and other complex agents. Look for bottles which are biodegradable and cardboard cartons made from recycled materials.

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Why the forests matter

James Lovelock is the first contributor to a new series which takes a global view



WE HEAR much of the harm done when the forests of the humid tropics are cleared, about the fate of rare species of animals, about the loss of as yet undiscovered medicinal plants that might bear the cure for cancer. The growth of forest trees, they say, even removes the greenhouse gases from the air and could stop the world overheating.

When more than 70 per cent of an ecosystem goes, the remainder may be unable to sustain the environment necessary for its survival. To denude the Earth of forest is like burning the skin of a human; burns affecting more than 70 per cent skin area cannot be survived. Which implies that in about ten years time the trees remaining uncut may begin to die anyway.

Is there any truth in all this? Or is it no more than the hype of the well-meaning wildlife industry, or of academic scientists hoping to refresh their depleted research funds by an appeal to the private heart?

Brazilian scientists were once asked by their government to calculate the value of the Amazon forests as oxygen producers for the world. The government spokesman argued that, without the oxygen their trees produce, a human burns and coal and oil would be worthless. He felt that some charge should, therefore, be made for the export of the essential gas, oxygen. It was a fine idea but, unfortunately, calculations of the net production of the oxygen by the forests gave an answer close to zero. The animals and the micro-organisms of the jungle used up almost all of the oxygen the trees produced.

Like him I think of the Earth as if it were a vast living organism; not just a ball of rock with animals, plants and microbes travelling on it like passengers. In my view, the great forests of the tropics are part of the Earth's skin. Like human skin they sweat to keep us cool. The tropics are warm, humid and rainy, an ideal environment for trees, but few seem aware that the trees themselves keep it this way.

Amazonia may not be worth much as a source of oxygen or, by the same calculation, as a sink for carbon dioxide, but it is a magnificent air-conditioner, not only for itself but also for the world through its ability to offset, to some extent, the consequences of greenhouse gas warming. Can a value be placed on this function?

The wet and cloudy tropics are not a given state of the Earth, it is an environment maintained by the trees themselves. They sustain it by the shade of their canopies, by their ceaseless evaporation of vast volumes of water through their leaves and by the cloud cover that forms as the rising water vapour condenses.

Next time you eat a burger think what may have been the real cost of its production - the stripping of an asset worth about £280. Yes, the 55 square feet of land said to be needed to produce enough meat for one burger was providing a cooling service of £380 per year. If we could say its capital value was £380, then the value of an important jungle, Amazonia, would be \$450 trillion.

Maybe you may think, the forests are so vast that it will take decades to clear them significantly. You could be wrong. Presently, an area of forest equal to the size of Britain is razed annually. At this rate, in ten years time, 65 per cent of all the forests of the tropics will have gone.

To value the forests on their cooling capability alone must surely underestimate them. Just now the forests of the humid tropics sustain a home, a habitat for about a billion people; what will be their fate should the tropics become a desert? The forests are more valuable to us all than we have grasped. They are like love itself; something so valuable that we take them for granted.

James Lovelock is an independent scientist; his latest book is The Ages of Gaia (Oxford University Press).

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Advertisement for Audemars Piguet watches, featuring the text 'THE FINE ART OF SIMPLICITY.' and 'Audemars Piguet La plus prestigieuse des signatures.' with an image of a watch.

Cookery article titled 'Couscous never goes against the grain'. It discusses the benefits of couscous, provides a recipe, and includes a small illustration of a couscous pot.

Advertisement for Mary Poppins Cares, featuring the text 'MARY POPPINS CARES AND MAKES CHILD'S PLAY OF FINDING THE RIGHT NANNY' and contact information for the agency.



ARTS

Low volt Elektra

Andrew Clark reviews Harry Kupfer's production in Vienna, conducted by Claudio Abbado

WHEN CLAUDIO Abbado first conducted Elektra...

This staging, the centrepiece of the current Vienna Festival...

The following night the State Opera revived its production of Tristan und Isolde...

While the score strays with the fatal presence of Agamemnon, symbol of war, family, royalty, revenge and death...

It is sad to report that the cast - dressed in costumes by Reinhard Heinrich...

Andrew Clark



Cheryl Studer and Eva Marton as Chrysothemis and Elektra

A Night in the Park

Can art compete with nature? The Romantics did not think so...

There have been times in that huculic amphitheatre, with the birds twittering...

That someone should have been Bernard Bresslaw as Malvolio...

There is also a vibrant fight scene. Near the end, with Malvolio neatly deposited down a well...

but there was a air of suspension over Ian Talbot's production...

There are good things. We are in Regency times and Simon Higlett's set is a nicely adaptable Palladian villa...

Antony Thorncroft

Maddened Tiller girl in 'Beauty'

EVERYONE IN the audience at the Royal Opera House on Thursday night...

She has a fine range of vocal colours, her own incisive facility in every role...

It is sad to report that the cast - dressed in costumes by Reinhard Heinrich...

early fame can compensate for this. Of course Mile Guillem can sail through the role of Aurora...

If we believe that classic academic dancing, as canonised in Beauty, reaches beyond mere facility to master how anything is done...

The most illuminating thing I have seen her dance - Mile Guillem is a uniquely satisfying artist...

The rest of Thursday night's performance was respectable without being inspiring...

he the chance for her to learn this necessary aspect of the ballerina's art.

It was a tragedy for Zemlinsky that Mahler, who was to have given Der Traumgürge its premiere in Vienna in 1907...

Max Loppert

Ace Dohnányi

THE Cleveland Orchestra and its Music Director Christoph von Dohnányi...

Incident in its precisely placed strands of instrumental colour, cogent without being dryly didactic...

David Murray

THE GROSVENOR HOUSE ANTIQUES FAIR. 15th - 24th June 1989. Grosvenor House, Park Lane, London W1.

PROMS 89. Royal Albert Hall 21 July-16 September. Telephone/personal booking now open!

THURSDAY 29 JUNE 7.45PM. Mstislav Rostropovich Returns to Conduct Shostakovich. Knownavtschina Overture: Dawn on the Moscow River.

Hayward Gallery. ART IN LATIN AMERICA. Until 6 August. Admission £4.00. Concessions £2.00.

Chess No. 777. Yes. White played 1 N-B6 ch. P-N3; 2 P-P2 but it was his own resignation he forced.

CHRISTIE'S. THIS magnificent necklace was originally owned by the Dowager Viscountess Harcourt. It was worn by her at the Coronation of George VI in 1937...

Records Rediscovering Zemlinsky

LITTLE BY little, the elusive Alexander von Zemlinsky is coming into focus...

These pieces are tantalisingly hard to fit together: though alive with intelligence and lit by flashes of intimate feeling...

In its bizarrely innocent libretto, made to Zemlinsky's recipe, 'Treasony Güte' is a youth with his inconstant transit...

It was a tragedy for Zemlinsky that Mahler, who was to have given Der Traumgürge its premiere in Vienna in 1907...

David Murray

Wiener Kammermusiker play the A major - his last completed work (1938) - with bright sympathy on Preiser 93587; the B-flat one shares Preiser 93383 with the piano-and-strings G major...

There is a little more Zemlinsky in a CD recital by the soprano Dorothy Dorow (Klezmer Kist 1044); four of his six Mauterlinck songs of 1910...

More briefly: Hans Peter Blochwitz has committed his extremely elegant staging to Schöne Müllerin, to CD (DG 427 339-2). Like his recent Wigmore Hall performance...

David Murray

Pick of the week. CHRISTIE'S. THIS magnificent necklace was originally owned by the Dowager Viscountess Harcourt. It was worn by her at the Coronation of George VI in 1937...

SPORT

Flawed — and floored

Teresa McLean on England's rock-bottom cricket fortunes

I DO NOT like Headingley. I went to the first Test match there and the experience did nothing to alter my opinion. The crowd was pitiful on Thursday, almost full but sunk in drink and despair on Friday, cheered briefly on Saturday by watching Alan Lamb and Kim Barnett, but reduced to a nugget of masochistic patriots for the fourth and fifth days.

It was a measure of his failure that the western terrace, home of "I terrible and truth," chose to blister in huge, familiar Derek Pringle with their observations rather than forlorn and inexperienced Newport. Pringle was a fairer target, bowling rather than getting himself classified as a donkey. After one particularly bad over, an animal rights activist overwhelmed the night-killing efforts of his neighbours with "Give the lad a carrot."

On Friday afternoon with the Australian score at 466/6, it was a nightmare to come on, 200 runs too late; and within 40 minutes of tactical spin bowling of variable quality, turning the ball slowly, he was taken out.

I worked my way past hospitality tents having six-hour lunches. A rugby league ground that shares its steps with the cricket crowd, and diarch Yorkshire members who view women at cricket like earthworms at tea parties. I got there eventually.

We sat listening to rounds of applause as Australia progressed relentlessly towards 600. Border told me that there had been a fashion for moustaches in Australian cricket in the mid-70s, the height of the Dennis Lillee and Ian Chappell era, but it was past now. What mattered in Australia these days was ability. Moustaches, such as the one boasted by himself (quality) and Merv Hughes (quantity), were incidental, not strategic.

sweat is preferable to heat spots. So, you never know. When I asked him why Australia had not picked a spinner — apart from himself, of course — he replied with a smile that Headingley was a seamer's and fast bowlers' wicket; it was not so much medium pace as English medium pace that was making batting so easy. Nevertheless, he brought himself on to help complete England's collapse, a decision that was good to see. I hope both teams come to their senses and play at least one spinner at Lord's.

swipe at the first ball, flinging his bat high in the air as he did so. It landed at the feet of umpire David Shepherd at square leg. His bowling was even more fun because of his run-up, an extraordinary one for a big, heavy man bowling with some speed. It is like a pregnant duck with a stutter. Clusters of little half-steps with adjustments between clusters. When he bowled, Chris Broad in the first innings, was not so much because he surprised the English opener with a slow leg-break but, rather, because Broad was mesmerised by the whole bizarre procedure.

POLO PROBABLY has more right to the title "international" than any other sport. Its origins are exotic and so are the players. Most exotic of all, though, are the spectators.

Forget the fact that you would learn far more about the game from a friendly match at Ham Court than from the Pimms Cup at £30 with its foreword by the Duchess of York's father, Major Ronald Ferguson, and a chapter on Money, Power and Patronage — puts it "Even in monarch-free countries, polo is a game of the few, not the many."

Even the Queen took tea . . .

It's beautiful people who count at polo, not players, says Nicky Smith



leagues than knock-out tournaments, which means more spectators. The British elite and nine-goal players are few on the ground, in any case. For almost too long, the Hipwood brothers, Howard and Julian, have dominated the field. Hopes of a new generation of

British high-goal players lies with the pony clubs which have grown in number considerably in the past few years; but it could be some time yet before they produce players who will score the winning goal against the Argentines.

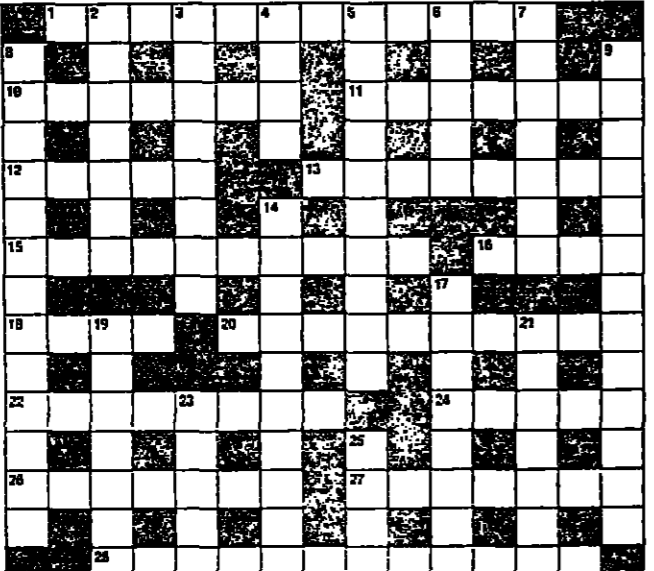
increase and the few high-goal players battle on to give the sponsors satisfaction, never was so much owed by so many to so few. Julian Hipwood — who sometimes gets confused over which sponsor he is playing for at any particular time — once told me that he

had also considered football as a career. However, he then found that polo provided an unrivalled opportunity to meet the rich and famous. And that is just the reason he has turned to polo. The more social glitter, the more successful you can count the proceedings. On these terms, Dumbill, which recently announced an 18 per cent profit increase and which sponsored the Queen's Cup last week, can be said to be several goals ahead this season in the chukkas played so far.

in Jermyn Street" as the commentator reminded us more than once. The Queen presented it, then, as if it were a royal ball, but she was not so much surprised by the English opener with a slow leg-break but, rather, because Broad was mesmerised by the whole bizarre procedure.

CROSSWORD

No. 6962 Set by CINEPHILE Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday June 28, marked Crossword 6962 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday July 1.



- ACROSS
1 Winged? It should give one new energy (4,2,3,3)
10 Exhibit manners for travel (7)
11 North African tempting to other indulgence, we hear (7)
12 A little paper makes a lot of water (5)
13 News round at home (6)
15 Very large number of demarcated bite, it's apparent (10)
16 Not repeated in the past (4)
18 Battle, rough at the edges? (4)
20 Women's garments, lots of them, for getting down to (5,3)
22 Senior citizens eat a lot: nothing original about that (3,3)
24 Most unhappiness comes from being reluctant to spend (5)
26 Come in with some ice for lummy trouble? (7)
27 Gangster's girl (American) has a number of shellfish (7)
28 Fixing aid made by brewer with a brush (6,5)
DOWN
2 Tailless beast with garment to yield (7)
3 Fork applied to fire or to a painful feeling (8)
4 Home with lining? (4)
5 It's not funny having a sense missing (10)
6 A charge for Coral Island (6)
7 Give a licking, perhaps, to doctor with one gun (7)
8 Climber finds path through mountains, getting on if moving nearer sea level (7,8)
9 Barbarian old copper formerly in wagon is staggered (13)
14 If her comic is translated, it's a small record (10)
17 It should give one new

TELEVISION & RADIO SATURDAY

Television and radio listings for Saturday. Includes sections for BBC1, BBC2, Channel 4, S4C Wales, Anglia, Border, Central, Granada, HTV, and Radio. A large photo of Greer Garson and Errol Flynn is featured with the caption 'Greer Garson & Errol Flynn: "That Forsyte Woman," CA, 12.55'.

SUNDAY

Television and radio listings for Sunday. Includes sections for BBC1, BBC2, Channel 4, Anglia, Central, Granada, HTV, and Radio. A large photo of a man's face is featured with the caption 'Greer Garson & Errol Flynn: "That Forsyte Woman," CA, 12.55'.